

DATE: 28 August 2012

TO: ALL PROSPECTIVE BIDDERS

**SUBJECT: NATO RFP-2012/20 - MANAGEMENT ADVISORY SERVICES (MAS) FRAMEWORK AGREEMENT - AMENDMENT # 1**

References: A. NATO RFP 2012-20, dated 7 Aug 2012  
B. Responses to Bidders' Questions, dated 27 Aug 2012

Dear Sir/Madam,

1. The purpose of this amendment is to issue a revised version of the solicitation of offers (References A) in line with the clarifications provided through Reference B.
2. The attached solicitation package supersedes the previous version of the RFP. Changes with respect to the previous version of the document are identified through red font and by a line in the left margin of the pages where changes were made. Some minor changes without material impact (e.g., correction of minor clerical or spelling errors, changes to formatting, changes to paragraph or page numbering as a consequence of the introduction of new paragraphs, etc.) have not been highlighted in the document for the sake of clarity.
3. Enclosed to this message is the native version of the document to facilitate the proposal preparation activities. Bidders must note that, in case of inconsistencies, the "pdf" version of the solicitation of offers will prevail.
4. A copy of this updated solicitation package will be posted on our business opportunities website (<http://www.nato.int/structur/procurement/>) for free download.
5. In order to meet the intended procurement timelines, the Organization does not intend to issue any further amendments or clarifications to the RFP or to grant any extensions of the bidding period. If further information would be required by Bidders in order to fulfill their due diligence obligations, Bidders are encouraged to make and document as part of their proposals all those cost or planning assumptions that they consider appropriate for the preparation of their proposals so these can be verified and taken into account by NATO during proposal evaluation and subsequent discussions.
6. If you have any questions about this communication, please, contact the undersigned or the point of contact designated in the RFP document.

Sincerely,

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**REQUEST FOR PROPOSAL  
RFP – 2012/20**

**NORTH ATLANTIC TREATY ORGANISATION (NATO)**



**MANAGEMENT ADVISORY SERVICES (MAS)  
FRAMEWORK AGREEMENT**

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**REQUEST FOR PROPOSAL**

**RFP – 2012/20**

**NORTH ATLANTIC TREATY ORGANISATION (NATO)**

**MANAGEMENT ADVISORY SERVICES (MAS)  
FRAMEWORK AGREEMENT**

**PART I – INSTRUCTIONS FOR THE SUBMISSION OF  
PROPOSALS**

# **PART I - INSTRUCTIONS FOR THE PREPARATION AND SUBMISSION OF PROPOSALS**

## **1 GENERAL**

### **1.1 PURPOSE**

1.1.1 The purpose of this Request For Proposals (RFP) is to award more than two framework agreements for the provision of Management Advisory Services (MAS) to the North Atlantic Treaty Organization (NATO). The successful framework agreement holders will be offered a fair opportunity to compete for future MAS task orders in support to the transition to the New NATO Headquarters (NNHQ) and other current and future organizational change and improvement initiatives during the effective period of the framework.

### **1.2 BACKGROUND INFORMATION**

1.2.1 This solicitation of offers is issued by the Procurement Service of the NATO International Staff (IS). The NATO IS operates the NATO Headquarters (HQ) in Brussels (Belgium).

1.2.2 NATO HQ is the political headquarters of the Alliance. The physical facility accommodates approximately 5,000 people and it is operated by the NATO International Staff (IS). In addition to the NATO IS, it is home to the National Delegations of the NATO member nations and to the liaison offices or diplomatic missions of some 20 partner countries. The work of these delegations and missions is supported by the NATO IS and the International Military Staff (IMS), which are located within NATO HQ. NATO IS has information offices in Moscow (Russia) and Kiev (Ukraine) and IS members work in the NATO Senior Civilian Representative (SCR) office in Kabul (Afghanistan).

1.2.3 NATO IS comprises of approximately 1,200 staff and operates under the direct authority of the Secretary General of the Organization who is appointed by the NATO member nations' heads of state and government. The annual operating budget of NATO IS is between EUR 200 and 300 million.

1.2.4 NATO IS has recently undertaken a number of organizational change initiatives such as the overall review of the IS organization and staffing levels, the move to a new Headquarters, the implementation of an Enterprise Resource Planning (ERP) system, and the implementation of shared services across the civilian components of the Alliance. Various levels and types of external consulting services are needed to support these initiatives due to the insufficient availability of relevant expertise and qualified resources within the Organization. The aim of this procurement action is to provide a flexible and efficient mechanism to consolidate these needs and fulfill them in a timely and cost-effective manner.

1.2.5 Further details about the Organization and other relevant background information about the requirements under solicitation are provided in Part IV of the RFP (Statement of Work).

### **1.3 DEFINITIONS**

1.3.1 The term "Contractor" refers to the Bidder(s) to which the agreement(s) under solicitation will be awarded.

- 1.3.2 “Discussions” are negotiations that occur after establishment of the competitive range that may, at the Source Selection Authority’s discretion, result in Bidders being allowed to revise their proposal.
- 1.3.3 The term “Interested Party” refers to actual or prospective Bidders with a direct economic interest in the procurement.
- 1.3.4 The acronym “MAS” means Management Advisory Services.
- 1.3.5 The acronym “NATO” refers to the North Atlantic Treaty Organization.
- 1.3.6 The term "Organization" refers to the North Atlantic Treaty Organization which is the legal entity that will be bound by the provisions of this solicitation of offers.
- 1.3.7 “Proposal modification” is a change made to a proposal before the solicitation’s closing date and time, or made in response to an amendment, or made to correct a mistake at any time before award.
- 1.3.8 “Proposal revision” is a change to a proposal made after the solicitation closing date, at the request of or as allowed by the Source Selection Authority as the result of negotiations.
- 1.3.9 Additional terms and their meaning are specified in the clauses entitled “Definitions” of the prospective Contract (clause 2 in ANNEX J to this Part I, clause 2 in Part II, and clause 2 in Part III) and in the section 2 of the SOW.

## 2 GOVERNING RULES, ELIGIBILITY, AND EXCLUSION PROVISIONS

### 2.1 GOVERNING RULES

- 2.1.1 This solicitation is issued in accordance with the procedures for International Competitive Bidding set forth in the NATO IS Procurement Manual. A copy of the manual is available at <http://www.nato.int/structur/procurement/index.html>.

### 2.2 SECURITY CLASSIFICATION

- 2.2.1 This solicitation of offers is not subject to any particular security classification and may be released to the general public.

### 2.3 BIDDERS’ ELIGIBILITY AND RESPONSIBILITY

- 2.3.1 This RFP is restricted to **consulting** firms from any NATO member nation. In addition to being pre-selected by or registered with the NATO IS Procurement Service, Bidders must comply with the following additional requirements:

- 2.3.1.1 **Bidders must have performed a sufficient number of consulting engagements for public or intergovernmental organizations within the last 5 years, where the combined scope of the stated engagements substantially covers the consulting domains specified in the solicitation (ANNEX A to Part IV); and**
- 2.3.1.2 Bidder’s personnel proposed for the performance of services under the contract must have the minimum qualifications stated in the attached SOW. All personnel that will perform work at NATO facilities for a period of more than one day or who will have access to classified information or who will have access (including remotely) to NATO networks must be in possession of a valid NATO security clearance up to NATO SECRET level, at least 30 days before their start of work under the contract.

- 2.3.2 The corporate experience requirement specified in paragraph 2.3.1.1 above, may be satisfied through a combination of the whole Bidder's team (prime contractor and subcontractors) prior consulting engagements but the majority of such engagements must have been performed by the Bidder itself and the subcontractors' engagements must be relevant to the type of work that subcontractors will perform under the framework agreement.
- 2.3.3 The Organization reserves the right to consider information not specifically included in the proposals in order to determine Bidders' eligibility and responsibility.

## 2.4 CONFLICTS OF INTEREST AND CONTRACTING EXCLUSIONS

- 2.4.1 By the very nature of its work, the Contractor may obtain an unfair competitive advantage from its potential involvement in the process of defining requirements for future services and capabilities (e.g., the contracts for the acquisition and implementation of future NATO systems or service solutions). Further, the Contractor may have access to information about a wide variety of on-going projects. This access could also give the Contractor an unfair advantage over other Bidders for any NATO related contracts solicited during the period of its work.
- 2.4.2 In order to avoid potential Conflicts of Interests like the ones just described, the prospective Contract imposes contracting exclusions with respect to future business opportunities relating to the implementation of systems and service solutions resulting from or associated with the tasks performed by the Contractor under the contract (see clause 22 of the Special Contract Provisions, Part II of the RFP)
- 2.4.3 Notwithstanding the contracting restraints stated in paragraph 2.4.2 above, NATO may consider alternative approaches to the avoidance of Conflicts of Interest as it is customarily done in some national procurement systems. Furthermore, it is believed that the situations that may create an organizational or personal Conflict of Interest would not be limited to the ones identified in the paragraphs stated above. Therefore, Bidders will be required to disclose any existing or potential Conflicts of Interest (COI) in their proposals as well as to submit a COI Mitigation Plan proposing measures to avoid, mitigate or neutralize identified COIs (see section 4 below and clause 22 of the Special Terms and Conditions).

## 3 PROSPECTIVE CONTRACT

### 3.1 CONTRACT SCOPE

- 3.1.1 The proposed contract type is a multiple-award framework agreement. The Organization intends to award more than two framework agreements, under the same solicitation, for the provision of the services specified in the attached Statement of Work (Part IV of the RFP). Any time work or services will be needed under the framework agreements, the Organization will provide each awardee with a fair opportunity to compete and be considered for the award and execution of the corresponding task order.
- 3.1.2 Task orders will be issued according to the most appropriate compensation arrangement considering the circumstances of each case. This may include any (or a combination) of the following pricing arrangements: firm-fixed price, time and materials, or labor-hour arrangements.
- 3.1.3 Task orders may include additional terms and conditions to supplement or refine the basic terms of the framework agreement and reflect particular circumstances for the execution of the individual task order such as particular delivery timescales, additional security needs, particular invoicing arrangements and payment profiles, incidental

charges, and other specific requirements. This does not mean that basic agreement terms may be renegotiated, or that the specification used in setting up the framework can be substantively changed. Substantive modifications to the terms or scope set out in the framework agreement itself are not permitted.

### 3.2 PERIOD OF PERFORMANCE

3.2.1 Subject to other Contract provisions, the period of performance under the Contract will be from the contract effective date (tentative 1 Nov 2012) through the end of the Contract duration established in the prospective Contract (Clause 6 – “Duration of Contract”).

### 3.3 EXEMPTION FROM TAXES

3.3.1 According to the NATO agreements, goods and services under the contract will be exempt from taxes, duties and similar charges (see clause 5 of the General Terms and Conditions for further details).

## 4 CONTENTS OF PROPOSAL

### 4.1 GENERAL

4.1.1 Bidders are expected to examine the drawings, specifications, schedules, and all instructions. Failure to do so will be at the Bidder's risk.

4.1.2 Bidders must provide full, accurate, and complete information as required by this solicitation and its attachments.

4.1.3 The Bidder shall sign the proposal. Erasures or other changes must be initialed by the person signing the proposal. Bids signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

4.1.4 Proposals for supplies or services other than those specified will not be considered unless authorized by the solicitation.

4.1.5 Bidders may submit multiple proposals to suggest alternative approaches. Each proposal submitted will be separately evaluated as if it was submitted by another Bidder. Bidders may use a single proposal package to submit multiple proposals. In this case, the elements which are common to all proposals such as the required certificates, the corporate information, or the past performance references, will be unique and only those elements that change from one proposal to another will be prepared specifically for each alternative proposal. Bidders must ensure that documentation is presented in a way that allows a clear identification of each alternative approach and facilitates the evaluation of each approach as a separate proposal.

4.1.6 Bidders must state a definite time for delivery of supplies or for performance of services, unless otherwise specified in the solicitation.

4.1.7 Time, if stated as a number of days, will include Saturdays, Sundays, and holidays.

4.1.8 Proposals must cover the totality of the requirements under solicitation. Partial proposals are not authorized.

### 4.2 PROPOSAL CONTENTS

- 4.2.1 Submissions that do not meet the requirements specified in this section may be rejected.
- 4.2.2 The whole proposal and annexes shall be written in English or French. Proposals written in other languages will be rejected.
- 4.2.3 Paragraph 4.2.5 below establishes page limitations for specific portions of the proposal. **Pages submitted in excess of the stated limitations will not be evaluated** by the Organization. Proposal documentation that is subject to the referred page limitations must be written on one-sided A4 or Letter paper size format, with at least 2 cm margins on all sides, and using Arial 11 or a larger font. Title pages and diagrams are excluded from the page counts **and the font/paper size standards** specified in this section.
- 4.2.4 The proposal shall consist of one sealed envelope containing **two (2) copies** of the documentation and media specified in the paragraphs below.
- 4.2.5 Technical and Administrative Proposal:
- 1) A table of contents for the entire bid.
  - 2) Contact Details. One page specifying Bidder's name, address, DUNS number, Point Of Contact for proposal clarifications and communication purposes, phone and fax numbers, e-mail address, and Internet site.
  - 3) Certification Regarding Bidder's Responsibility. Use the template provided in ANNEX A to the Instructions. A certification that any of the items in paragraph 1 of the stated certification exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Bidder's responsibility. Failure of the Bidder to furnish a certification or provide such additional information as requested by the Procurement Officer may render the Bidder non-responsible.
  - 4) Certificate of Origin of Supplies and Services. Use the template provided in ANNEX B to the Instructions.
  - 5) Financial Condition. This includes the following:
    - a. A statement on whether or not the Bidder has, at the time of proposal submission, paid up to date any applicable tariffs and social security obligations relating to its employees and any taxes and duties that may be applicable to the Bidder;
    - b. A statement on whether or not the Bidder is, at the time of proposal submission, in receivership or has filed with legal authorities for protection from creditors;
    - c. A copy of the last two year's audited financial statements (if available, otherwise Bidders may submit non-audited financial statements) including the income statement, the balance sheet, the statement of cash flows, the notes to the financial statements, and the audit opinion (if applicable). If these financial statements have already been submitted in response to another solicitation of offers issued, within the same year, by the NATO IS Procurement Service, Bidders may replace the aforementioned documentation with a statement that provides the reference and date of the solicitation in response to which the referred financial statements were submitted; and
    - d. A statement on whether or not the Bidder's organization at large, including national offices, subsidiaries and all subcontractors has, at the time of proposal submission, any on-going legal actions against them with claims in excess of EUR 100 million or equivalent.
  - 6) Corporate Resources and Capabilities. This document shall include the following:

- a. A description of the overall organizational structure of the Bidder and the administration of the service to be performed under the prospective Contract within the overall corporate structure. This section should indicate the chain of authority within the Bidder's organization from the service/contract manager to the Chief Executive Officer. The same information must be provided for any proposed subcontractor entities.
  - b. The identification of the corporate resources, equipment, and facilities which are available to support the project which are resident in the Bidder's organization but not directly under the authority of the contract manager. The Bidder shall describe the process by which the Bidder's contract manager may have access to these "in-house" corporate resources and capabilities and what level of authority is required in the Corporation hierarchy to secure the needed resources.
  - c. A description of the Bidder's corporate human capital management approach, showing the mechanisms through which Bidders recruit, retain, and develop their personnel so as to ensure the sustainability and quality of their service offer.
  - d. A description of the security organization, relevant points of contact, and a list of all NATO security cleared personnel who might be available for the performance of task orders under the contract. Bidders must use the template in ANNEX C. Bidder's must also list any personnel in possession of other national or international security clearances that may be easily converted into NATO clearances and indicate the typical time required for such a conversion under the "Remarks" column. **If the total number of personnel holding such convertible clearances exceeds 50, Bidders may omit them from the list and include instead a summary of clearance types, typical conversion times, and numbers of personnel holding such types of convertible security clearances.**
  - e. The Bidder must limit the size of this documentation to a total of 10 pages. The list of security cleared personnel is excluded from this limitation.
- 7) **List of Performance data of no more than 10 prior contracts, agreements, or projects substantially similar in scope to the requirements described in this solicitation and that have been performed within the last five years. The list must include a combination of the whole Bidder's team (prime contractor and subcontractors) prior consulting engagements which substantially cover the 15 domains described in ANNEX A to the SOW. Bidders must include subcontractor references for every key subcontractor (subcontractors that will be responsible for the execution of the majority of the work within a given domain or that exceed 20% of the staffing resources or labor hours under the agreement). Subcontractor references must be relevant to the consulting domains and type of work to be performed by each subcontractor. References relating to the Bidder itself must be relevant to the consulting domains identified in the certification stated in paragraph 8) below (ANNEX D to the Instructions). Bidders may submit references which are relevant to more than one domain.**
- The list must specify for each contract/agreement/**engagement** the following details:
- a. Reference of the contract **or project** (if any);
  - b. Contract **or project** effective date;
  - c. Date completed;
  - d. Description of services;
  - e. Contract **or project** value;
  - f. Customer; and

- g. Customer Point Of Contact (POC) for verification purposes, specifying name, telephone, fax, and e-mail.
- 8) List of Sub-Contractors and Bidder's Core Consulting Domains. Bidders must state the subcontractors that they intend to use for the performance of the agreement (if any). Bidders must also identify their Core Consulting Domains (at least 9 from the list) and certify that their offer complies with the subcontracting restrictions specified in clause 18 of the Special Terms and Conditions (Part II). Bidders must use the template in ANNEX D to the Instructions.
- 9) COI Declaration and Mitigation Plan. Bidders shall include a COI Mitigation Plan consisting of the following documentation:
- a. COI Declaration. Bidders must warrant that, to the best of their knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational or personal Conflict of Interest, or that Bidders have disclosed all such relevant information as part of the COI Mitigation Plan as incorporated in their Bid. This declaration must be substantially similar to the sample shown in ANNEX E.
- i. In order to determine whether a potential COI exists Bidders must consider the scope of work under solicitation, and the definitions established in clauses 22 of the Special Terms and Conditions and 2 of the General Terms and Conditions. Bidders should also ask themselves the following questions:
1. Has the Bidder, or any of its affiliates or subcontractors, obtained from the Organization, under a separate contract, information that other Bidders don't possess and that places the Contractor at an unfair competitive advantage in the instant procurement (this includes both the framework agreement under solicitation and future task orders to be issued under the framework)?
  2. Has the Bidder, or any of its affiliates, or subcontractors, provided to the Organization or a prime Contractor, under a separate contract, services that establish the ground rules for the instant procurement?
  3. Does the Bidder possess, as the result of other contracts, business relationships, or different lines of business, an incentive to provide, whether intentionally or unintentionally, biased advice under the prospective Contract?
- ii. In asking these questions, Bidders must consider both whether past activities have tainted the current procurement and whether the contemplated performance is likely to create future conflict. Both types of COI must be disclosed.
- b. Mitigation Plan. If specific COIs have been identified in the COI Declaration, Bidders must include a COI Mitigation Plan where specific measures will be proposed in order to avoid, mitigate, or neutralize COIs. The plan should consist of the following sections:
- i. A Table of Contents
  - ii. Part 1 - Disclosure of existing or potential COIs
  - iii. Part 2 - Detailed description of the specific measures that are proposed to avoid, mitigate, or neutralize each one of the COIs described in Part 1 of the Plan.
- 10) List of Bidder's Key Personnel and other Bidder's Focal Points (including suitable backup personnel). Bidders must specify name, nationality, and intended position

(i.e., primary or backup) for the proposed personnel (use the template in ANNEX F, **Bidders may add as many lines as required to include all proposed personnel**).

- 11) Resumes of the Bidder's personnel included in the list stated in paragraph 10) above:
- a. Resumes submitted must show that personnel possess the educational background and experience required to perform their tasks as established in each task order;
  - b. Resumes shall include a section describing any prior engagement(s) led or performed by the proposed consultant that are similar in size, complexity and scope to the services specified in the **solicitation** and that were **performed within the last five years**. The description must include the following data for verification purposes:
    - i. Reference of the contract (if any);
    - ii. Contract effective date;
    - iii. Date completed;
    - iv. Description of services;
    - v. Customer; and
    - vi. Customer Point Of Contact (POC) for verification purposes, specifying name, telephone, fax, and e-mail.
  - c. Security clearances certificates (or equivalent documentary evidence) and certificates of relevant education must be attached to these resumes.
  - d. Any client statements or endorsements of the individual work performed by the proposed consultant shall also be attached to each resume.
  - e. The total size of each resume shall not exceed 5 (five) one-sided pages (without copies of clearances, certificates, and clients' statements)
- 12) Labor contracts or letters of commitment for the proposed Key Personnel (Key Personnel is identified in ANNEX F). These documents must show the commitment of these employees (both primary and backup personnel) to work for the Bidder for the whole duration of the Contract, if the Contract is eventually awarded to the Bidder.
- 13) Technical Understanding of the Statement of Work and the Representative Tasks specified in ANNEX G. Bidders must provide a written description demonstrating their understanding of the nature and extent of NATO's requirement for Management Advisory Services as described in the SOW (Part IV of the RFP) and the representative tasks described in ANNEX G to these Instructions. The narrative included in this document must be more than a mere repetition of the descriptions provided in the solicitation. Bidder's must include the following information:
- a. Summary of the MAS Requirement and associated NATO's objectives. Overall understanding of the nature and extent of the type of work to be performed under the framework and the objectives sought through this procurement action (the size of this section will be limited to 1 page);
  - b. Bidder's Value Proposition. Description of the benefits and value that the Bidder may bring to the Organization through the Bidder's participation in the framework (the size of this section will be limited to 1 page);
  - c. Approach and Methodology for the execution of Representative Tasks. Bidders must provide their typical approach for the execution of the representative tasks specified in ANNEX G based on their past experience in the execution of similar

tasks. For each representative task, Bidders must include the following information:

- i. Their understanding of the representative task;
- ii. Potential risks, challenges, and opportunities;
- iii. A proposed approach and methodology for the execution of the task;
- iv. A high-level schedule showing typical execution phases and main milestones;
- v. A tentative list of resources;
- vi. Recommended pricing arrangement;

The size of this section must be limited to 2 pages per representative task. Wherever practicable, Bidders must include specific references to relevant prior experience or lessons learned.

- 14) Schedule of Exceptions. Bidders shall specify exceptions or deviations from the terms and conditions of the prospective contract (use the template in ANNEX H to the Instructions). In case of exceptions, provide the alternative text proposed and the justification for deviating from RFP provisions. Substantial deviations from the material elements of the Contract such as applicable law, limitations of liability, dispute resolution procedure, confidentiality and security obligations, or intellectual property rights, may lead to the disqualification of the Bidder. In case of doubt Bidders are encouraged to clarify the acceptability of any potential deviations through the request for clarification process described in paragraph 9.2 below.

- 15) A CD-ROM containing electronic copies of the documentation specified in this section, using one or a combination of Microsoft Word, Microsoft Excel, Microsoft PowerPoint, or Adobe Acrobat formats.

#### 4.2.6 Price Proposal:

- 1) Price Schedule. The Price Schedule must be submitted in the attached template (ANNEX I to the Instructions).

In Section A of the Schedule, Bidders must specify the labor rates that will be applicable to each and every labor category that may be required under task orders issued in accordance with clause 3 of the Special Terms and Conditions (Part II). Bidders must specify rates applicable to services performed at the Bidder's Home Office and services performed in Brussels. The stated rates must be fully loaded including any applicable overheads and any required travel and per-diem costs.

The labor categories specified in Section A are the result of the combination of the generic categories and MAS domains described in ANNEX A and ANNEX B to the SOW. It is recognized that Bidders might use their own commercial-item denominations to refer to substantially the same labor categories. Therefore, Bidders may specify their equivalent job titles or labor categories in the Price Schedule instead of the ones specified in the template. Bidders that choose to use their own titles and labor categories are required to provide a cross-walk table between their titles and the labor categories used in the "ITEMS" column of the Price Schedule in ANNEX I and highlight any significant differences in terms of qualification, seniority, or associated responsibility.

In Section B of the Schedule Bidders must indicate the Home Office that will be considered for the application of the Home Office rates and the calculation of travel costs and per diem that may be authorized by NATO if task orders include the execution of work at locations other than the specified Home Office or Brussels (see clause 3 of the Special Terms and Conditions for further details).

- 2) Signed Contract. Two signed copies of the prospective Contract properly filled with all relevant data and information. Bidders must use the template in ANNEX J to the Instructions.
- 3) A CD-ROM containing electronic copies of the documentation specified in this section, using one or a combination of Microsoft Word, Microsoft Excel, Microsoft PowerPoint, or Adobe Acrobat formats.

#### 4.3 RESTRICTION ON DISCLOSURE AND USE OF DATA

- 4.3.1 If the Bidder includes in its proposal data that it does not want disclosed to the public for any purpose, or used by NATO except for evaluation purposes, must:

- a. Mark the title page with the following legend:

*“This proposal includes data that shall not be disclosed outside NATO and shall not be duplicated, used, or disclosed -- in whole or in part -- for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this Bidder as a result of -- or in connection with -- the submission of this data, NATO shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit NATO's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets]”; and*

- b. Mark each sheet of data it wishes to restrict with the following legend:

*“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.”*

#### 4.4 PROPOSAL VALIDITY

- 4.4.1 The proposal submitted shall remain valid for a period of 180 calendar days counted from the proposal closing date. Organization reserves the right to request an extension of validity if a decision cannot be made within this time. Bidder will be entitled to either grant or deny this extension of validity; Organization will automatically consider a denial as a withdrawal of the proposal.

### 5 BIDDERS CONFERENCE AND SITE VISIT

- 5.1 Due to the nature of the requirements under solicitation, no Bidder's Conference or Site Visit will take place. Bidders are encouraged to use the request for clarification process specified in Section 9 below to raise any questions they may have about the source selection process, the prospective contract, or the specific requirements under solicitation<sup>1</sup>.

### 6 QUALIFICATION REQUIREMENTS AND BID SAMPLES

- 6.1 Due to the nature of the requirements under solicitation, no item qualification requirement or samples will be required.

### 7 PROPOSAL SUBMISSION, CLOSING DATE, LATE PROPOSALS AND WITHDRAWAL

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<sup>1</sup> Conferences or site visits may be organized, as needed, for specific task orders that require such events.

## 7.1 SUBMISSION

- 7.1.1 The two copies of the Technical and Administrative Proposal and the Price Proposal shall be submitted inside a single sealed envelope. If the documents are too large for the envelope, the offer may be sent in any larger envelope or box. The envelope will be marked "Proposal to RFP 2012/20".
- 7.1.2 The whole package will be placed in another (exterior) envelope or box on which will be glued the mailing label shown in to the Instructions.
- 7.1.3 Proposals must be submitted by mail, courier or hand-carried. Electronic mail submissions are not authorized under this solicitation of offers.

## 7.2 CLOSING DATE AND LATE PROPOSALS

- 7.2.1 Proposals shall be received by the point of contact specified in 9.3.1 below, not later than **12 September 2012, at 15h00 (Brussels Time)**.
- 7.2.2 The Organization is not responsible for lateness of e-mail, electronic systems failure, carrier, etc. The time/date stamp by the NATO Procurement Service will be the official time of receipt.
- 7.2.3 Any proposals received after the date and time specified in paragraph 7.2.1 above shall not be considered unless the Source Selection Authority determines that accepting the late proposal would not unduly delay the procurement process; and:
  - 7.2.3.1 If it was transmitted through an electronic commerce method authorized by the solicitation of offers, it was received at the initial point of entry to the Organization's infrastructure not later than 17h00 (Brussels Time) one working day prior to the date specified for receipt of proposals; or
  - 7.2.3.2 There is acceptable evidence to establish that it was received at the Organization's installation designated for receipt of offers and was under the Organization's control prior to the time set for receipt; or
  - 7.2.3.3 It is the only proposal received.
- 7.2.4 Acceptable evidence to establish the time of receipt at the Organization's installation includes the time/date stamp of that installation on the proposal wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of NATO's personnel.
- 7.2.5 If an emergency or unanticipated event interrupts normal NATO processes so that proposals cannot be received at the office designated for receipt of offers by the exact time specified in the RFP, and urgent NATO requirements preclude amendment of the request for proposals, the time specified for receipt of proposals will be deemed to be extended to the same time of day specified in the RFP on the first work day on which normal NATO processes resume.
- 7.2.6 Proposals may be withdrawn by written notice received at any time before the exact time set for receipt of proposals. A proposal may be withdrawn in person by a Bidder or its authorized representative if, before the exact time set for receipt of proposals, the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal.

## 7.3 EXTENSION OF CLOSING DATE

- 7.3.1 Any bidder may request directly to the Organization Procurement Service an extension of the proposal closing date. However, the request must reach the Procurement Officer, in writing (facsimile is acceptable), no later than 21 calendar days prior to the proposal closing date and must include a strong justification for the request. The NATO Procurement Service may, at its own discretion, grant an extension of the proposal closing date.

## 8 PROPOSAL EVALUATION AND CONTRACT AWARD

### 8.1 EVALUATION CRITERIA

- 8.1.1 Proposals will be evaluated under a combination the following factors and sub-factors:

#### 8.1.1.1 Non-Cost Related Factors:

(1) Bidder's Resources, Capabilities, and Engagement. Evaluation of the strengths, weaknesses, risks, and opportunities associated with the Bidder's corporate resources and capabilities as documented in the Bidder's proposal. The evaluation of this factor includes the assessment of the qualification of proposed personnel (Key Personnel and focal points), the subcontracting network and structure, the quality and availability of corporate resources and capabilities, and the ability to mobilize corporate resources and capabilities in a timely manner to support contract objectives. NATO reserves the right to perform interviews and site visits to verify the Bidder's representations about the quality of Bidder's resources and capabilities. In this event, Bidders concerned will be notified at least 10 working days before the intended date of the interview or site visit and be provided with all relevant details about the scope and duration of interviews or visits.

(2) Bidder's Technical Understanding of the Statement of Work and Representative Tasks. Evaluation of the strengths, weaknesses, risks, and opportunities associated with the Bidder's understanding of the scope of work to be performed under the framework agreement and the Bidder's recommended approach and methodology for the execution of the representative tasks described in ANNEX G.

(3) Past Performance. Evaluation of the strengths, weaknesses, risks, and opportunities associated with the Bidder's prior experience in the execution of work substantially similar to the scope of the contract. This includes the evaluation of the relevance and time lapsed or recentness (i.e. how far in the past similar services have been performed) of the past performance references provided by Bidders and the verification of the stated references with client organizations. **NATO reserves the right to consider information not specifically included in the proposals in order to evaluate this factor (e.g., relevant and recent contracts or performance references available within the Organization).**

(4) Contractual Risks. Evaluation of the risks associated with the terms and conditions of the proposal and proposed exceptions to the terms of the prospective Contract (e.g., implied or express limitations of liability, permissible scope of use of Intellectual Property Rights, and any other express or implied deviations with respect to the terms and conditions of the prospective Contract that may be identified during the proposal evaluation process) Exceptions will be evaluated on a case by case basis. Bidders that do not request exceptions will be granted the highest ratings. Further, the Organization may determine that a Bidder must be disqualified if the contractual risks associated with its proposal are unaffordable or if the proposed exceptions limit the ability of the Organization to effectively use or benefit from the services or products delivered under the agreement. The rational and exact wording of proposed

exceptions will be crucial for determining whether an exception would be acceptable to NATO. Exceptions which are based on fair standards of legitimacy and that do not impose substantially unfair or unbalanced terms and conditions to NATO will have greater chances of being accepted.

(5) Compliance with mandatory administrative and security requirements specified in the solicitation (e.g. minimum proposal contents, security clearances, mandatory certificates, etc.) (pass/fail). If the stated requirements are not met the Organization will disqualify the proposal.

(6) Eligibility and Responsibility (pass/fail). Verification that Bidders meet the eligibility and responsibility requirements established in these instructions. Bidders that are found ineligible or irresponsible will be automatically disqualified.

(7) Conflict of Interest Risks and Mitigation Strategy (pass/fail). Evaluation of the COI risks associated with the proposal and the proposed mitigation strategy. Bidders that are not able to substantiate the absence of COI risks or that do not identify realistic and achievable mitigation measures in a sufficiently detailed COI Mitigation Plan will be disqualified.

#### 8.1.1.2 Cost Related Factors

(8) Total Evaluated Price. Evaluation of the total estimated cost of the service over the intended duration of the agreement based on a projection of future consultancy needs, including an assessment of the cost impact of any deviations from the terms of the prospective agreement that might have been proposed by Bidders. For the purpose of price comparison all prices will be converted into EURO on the basis of the average official commercial buying and selling exchange rates of the BANQUE NATIONALE DE BELGIQUE at close of business of the last working day preceding the proposal closing date.

NATO may determine that a proposal is unacceptable if the prices proposed are materially unbalanced, unrealistic, or unreasonable. This will occur when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly overstated or understated as indicated by the application of cost or price analysis techniques. A proposal may be rejected if it is determined that the lack of balance, realism, or reasonableness poses an unacceptable risk to NATO.

8.1.2 For award purposes, Bidders must note that the relative importance of evaluation factors and sub-factors will be as follows:

8.1.2.1 Factor (1) will be more important than factor (2);

8.1.2.2 Factor (2) will be more important than factor (3);

8.1.2.3 Factors (1), (2), and (3) considered together will be strongly more important than factor (4);

8.1.2.4 Factors (5) thru (7) are just pass/fail factors;

8.1.2.5 Non-cost factors (1) thru (4) considered together will be more important than cost factors (8).

## 8.2 PROPOSAL ORAL PRESENTATIONS

8.2.1 Bidders will be requested to perform an oral presentation of their proposals at NATO HQ to complete the evaluation of non-cost factors (1) and (2) stated above. The purpose of the oral presentation is to provide an overview of the Bidder's proposed personnel, corporate resources and capabilities, service delivery approach, and specific approach and methodology for the execution of the representative task orders specified in ANNEX G. The oral presentation may also be used to discuss particular concerns or issues relating to the evaluation of the Bidder's written proposal.

8.2.2 Oral presentations will take place not earlier than 30 days after the bid closing date. NATO will communicate the exact date and time of oral presentations at least 10 days in advance. The duration of the presentation will not exceed 120 minutes (including 40 minutes for questions and answers).

8.2.3 The Bidder's presentation must address the following topics:

1) Framework Agreement

a. Introduction of participants;

b. Summary of the MAS requirement and associated NATO's objectives;

c. Bidder's value proposition and description of relevant prior experience and available corporate resources and capabilities;

d. Description of the specific client management approach that will be implemented, showing the level of corporate engagement;

2) Representative Tasks

The Organization will request Bidders to present their approach and methodology for the execution of representative tasks. Bidders will be informed of the specific tasks to be presented at the time the date of the presentation will be established.

3) Questions and Answers

Up to 40 minutes will be provided for members of the NATO evaluation team to ask questions and discuss aspects of the presentation with the Bidder's presentation team.

- 8.2.4 The Bidder's oral presentation must be attended by all personnel proposed as Key Personnel and focal points for the execution, management, and administration of the framework.
- 8.2.5 Bidders shall notify NATO of any special facility or other support required. NATO will provide 230V/50Hz power for any demonstration equipment, projectors, but the Bidder shall provide any power strips or extension cords required as well as all IT equipment. No Internet access is available during the presentations. NATO shall provide tables and chairs for the equipment and the Bidder's demonstration personnel.

### 8.3 SOURCE SELECTION AUTHORITY

- 8.3.1 The NATO IS Contracts Award Committee (CAC) is the source selection authority.

### 8.4 EVALUATION PROCESS

- 8.4.1 The evaluation process will follow the sequence described below:

- 8.4.1.1 All proposals received within the established bidding period are presented to the CAC and the CAC authorizes the proposal evaluation team to start the evaluation process.
- 8.4.1.2 The Proposal Evaluation Team perform the assessment of the various cost and non-cost related factors, document their findings, conduct pre-negotiation exchanges (if necessary), and present their conclusions and recommendations to the CAC.
- 8.4.1.3 The CAC reviews the findings, conclusions, and recommendations, and makes an award decision or, if considered to be in the best interest of the Organization, selects the bidders that will be included in the competitive range, and authorizes the start of the competitive negotiation process according to a pre-defined schedule.
- 8.4.1.4 Competitive negotiations process (if applicable):
- 8.4.1.4.1 Competitive negotiations take place. The information obtained through discussions is documented and confirmed by requesting proposal revisions from all Bidders in the competitive range still eligible for selection.
- 8.4.1.4.2 At the conclusion of discussions, NATO will give all Bidders remaining in the competitive range an opportunity to improve their proposal by submitting a final proposal revision (best and final offer) within a common cut-off date and time. If, after receipt of final revised proposals it becomes necessary to subsequently clarify minor irregularities, this may be done, without any additional request for final proposal revisions from all bidders. However, if further negotiation is required, a second final revision opportunity will be extended to all Bidders.
- 8.4.1.4.3 After the final proposal revisions have been received, proposals will be evaluated again. Any factor impacted by the responses will be rated again in the same manner as in the initial evaluation that led to the determination of the competitive range.
- 8.4.1.5 The final recommendation of award which documents the final outcome of the evaluation process is presented to the CAC by the evaluation team and the CAC makes the final award decision. The award decision is communicated to all Bidders.

- 8.4.2 Bidders may be disqualified at any stage of the process and particularly as a consequence of the determination of the competitive range stated in paragraph 8.4.1.3 above.
- 8.4.3 The overall duration of the evaluation process depends on the complexity of the RFP and may range between one and six months from the bid closing date.

## 8.5 CONTRACT AWARD

- 8.5.1 NATO intends to award multiple framework agreements for the same or similar advisory and assistance services under this solicitation unless NATO determines, after evaluation of offers, that only one Bidder is capable of providing the services at the level of quality required.
- 8.5.2 Framework agreements will be awarded to the responsible Bidders whose conforming proposals represent the best value after evaluation in accordance with the factors and sub-factors specified in the solicitation. NATO may limit the number of awards to the greatest number that will permit an efficient competition during the execution of the framework agreements.
- 8.5.3 **NATO intends to evaluate proposals and award the framework agreements without discussions** with Bidders (except clarifications). Therefore, the Bidder's initial proposal should contain the Bidder's best terms from a cost or price and technical standpoint as well as contractual terms and conditions. NATO reserves the right to conduct discussions if the source selection authority later determines them to be necessary. If the source selection authority determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the source selection authority may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.
- 8.5.4 NATO may reject any or all proposals if such action is in NATO's interest. Exchanges with Bidders after receipt of a proposal do not constitute a rejection or counteroffer by NATO.
- 8.5.5 A written award or acceptance of proposal mailed or otherwise furnished to the successful Bidder(s) within the time specified in the proposal shall result in a binding contract without further action by either party.
- 8.5.6 NATO may disclose the following information in post-award debriefings to other Bidders:
- a. The overall evaluated cost or price and technical rating of the successful Bidder;
  - b. The overall ranking of all Bidders, when any ranking was developed by Organization during source selection; and
  - c. A summary of the rationale for award.
  - d. Reasonable responses to relevant questions posed by the debriefed offeror as to whether source-selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the Organization.

## 8.6 AWARD OF TASK ORDERS ISSUED UNDER FRAMEWORK AGREEMENTS

- 8.6.1 NATO must provide each awardee a fair opportunity to be considered for each order issued under the framework agreements awarded through this solicitation of offers, except as provided for in the contract. NATO may exercise broad discretion in the

execution of appropriate order placement procedures within the limitations imposed by the provisions of this RFP. The detailed procedures for the award of task orders are specified in clause 3 of Special Terms and Conditions.

## 9 COMMUNICATIONS AND CONTACTS FOR CLARIFICATION

### 9.1 COMMUNICATIONS IN GENERAL

- 9.1.1 Any communications related to this RFP, between your firm and NATO shall only be through a member of the Organization Procurement Office; only such persons may, during the solicitation and evaluation period, answer inquiries regarding this RFP.
- 9.1.2 All correspondence and communications, including protests, shall be in English or French.

### 9.2 REQUEST FOR CLARIFICATION

- 9.2.1 Prospective bidders should seek clarification as soon as possible. Any explanation desired by a bidder regarding the meaning or interpretation of this RFP, clauses, specifications etc., must be requested in writing (letter or facsimile) from the Procurement Officer designated in paragraph 9.3.1 below. The Procurement Officer must receive such requests for clarification no later than 21 calendar days before the bid closing date.
- 9.2.2 Information given to a prospective bidder will be furnished to all prospective bidders, as an amendment to this RFP, only if such information is necessary to bidders in submitting offers or if the lack of such information would be prejudicial to other bidders. Oral explanations or instructions will not be binding unless confirmed in writing by the Procurement Officer through a formal amendment to the solicitation of offers.

### 9.3 PROCUREMENT OFFICER

- 9.3.1 All correspondence related to this procurement shall be forwarded to the following Point Of Contact:

**Ms. Esther ASENSIO**  
**Email: [procurement.contracts@hq.nato.int](mailto:procurement.contracts@hq.nato.int)**  
**Tel: +32-2-707-4480**  
**Fax: +32-2-707-4927**  
**NATO – Procurement Service**  
**Boulevard Leopold III, 1110 Brussels, Belgium**

## 10 PROTESTS

### 10.1 NATO STATUS

- 10.1.1 NATO, including its personnel, assets, and facilities, enjoys immunity from any laws, regulations, and legal processes that may be applicable. Protests relating to this procurement process shall be resolved in accordance with the procedure stated below.

### 10.2 NATO IS PROTEST RESOLUTION PROCEDURE

- 10.2.1 Interested Parties may present protests to the Procurement Officer specified in paragraph 9.3.1 above. Alternatively, Interested Parties may request the review, at a level above the Procurement Officer, of any decision by the Procurement Officer that allegedly violated applicable regulations and solicitation provisions and, thus, prejudiced the bidder.

- 10.2.2 Protests shall be submitted in writing. Protests must be clear and concise. Failure to submit a coherent protest may be grounds for dismissal.
- 10.2.3 Protests must be submitted within the periods specified below:
- 10.2.3.1 Pre-award protests, to include protests challenging the propriety of a solicitation, must be filed prior to the date for receipt of proposals.
- 10.2.3.2 In all other cases, the bidder must file its protest to NATO within 10 days of when the protester knew or should have known of the bases for the protest. For “significant issues” raised by the protester, however, NATO has the discretion to consider the merits of a protest that is otherwise untimely.
- 10.2.4 Untimely protests will be dismissed.
- 10.2.5 Interested Parties are required to exhaust NATO IS Protest Resolution procedure before resorting to other protest fora (e.g., filing a protest through their national delegation to the Budget Committee)

## **11 DISCLAIMER: AMENDMENT OR CANCELLATION OF RFP**

- 11.1 NATO reserves the right to amend or delete any one or more of the terms, conditions or provisions of the RFP prior to the date set for the proposal closing. An amendment or amendments to this RFP will announce such action. If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.
- 11.2 NATO reserves the right to cancel, at any time, this RFP partially or in its entirety. No legal liability on the part of NATO for payment of any sort shall arise and in no event will a cause of action lie with any bidder for the recovery of any costs incurred in connection with preparing or submitting a proposal in response hereto. All effort initiated or undertaken by the bidder shall be done considering and accepting this fact.

**ANNEX A CERTIFICATION REGARDING BIDDER'S RESPONSIBILITY**

[Insert Legal Name of The Firm] ([Abbreviated Name]) warrants that, to the best of our knowledge and belief, that:

1. [Abbreviated Name] and/or any of its Principals<sup>2</sup>—
  - a. Are / are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any NATO entity or national government;
  - b. Have / have not , within a three-year period preceding this Bid, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract; violation of antitrust law relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating criminal tax laws, or receiving stolen property;
  - c. Are / are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph b. above;
  - d. Have / have not, within a three-year period preceding this offer, been notified of any delinquent taxes<sup>3</sup> in an amount that exceeds EUR 20,000 for which the liability remains unsatisfied.
2. [Abbreviated Name] has / has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any NATO entity or national government.
3. [Abbreviated Name] shall provide immediate written notice to the Procurement Officer if, at any time prior to contract award, the [Abbreviated Name] learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Bidder knowingly rendered an erroneous certification, in addition to other remedies available to NATO, the Procurement Officer may terminate the contract resulting from this solicitation for default.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

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<sup>2</sup> "Principal," for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment; and similar positions).

<sup>3</sup> Taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

**ANNEX B ORIGIN OF SUPPLIES AND SERVICES CERTIFICATE**

[Insert Legal Name of The Firm] ([Abbreviated Name]) warrants that, to the best of our knowledge and belief:

1. None of the work specified in our proposal, including project design, labour and services, will be performed other than by firms from and within participating countries;
2. Except those items listed in paragraph 3 below, no materials or items of equipment specified in our proposal, down to and including identifiable sub-assemblies, will be manufactured or assembled by a firm other than from and within a participating country;
3. The following items are or will be manufactured or assembled in non-participating countries or include components, down to and including identifiable sub-assemblies, that are or will be manufactured or assembled in non-participating countries:

CLIN/Item Ref	Description	Country of Origin

4. No items equivalent to the ones specified in paragraph 3 above exist, in sufficient and reasonably available commercial quantities and quality to satisfy the requirements specified in the solicitation of offers, which are manufactured or assembled in participating countries, or which include components, down to and including identifiable sub-assemblies, which are manufactured or assembled in participating countries.

This certification is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Bidder knowingly rendered an erroneous certification, in addition to other remedies available to NATO, the Procurement Officer may terminate the contract resulting from this solicitation for default.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

**ANNEX C LIST OF NATO CLEARED PERSONNEL**

No <sup>4</sup>	Last Name, First Name	Position/ Labor Category	Nationality	NATO Clearance <sup>5</sup>	Valid until	Remarks
1.						
2.						
3.						
4.						
5.						

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

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<sup>4</sup> Add as many lines as required to cover all cleared personnel that may be made available for the execution of services under the agreement.

<sup>5</sup> Specify the appropriate level of clearance, i.e., Confidential, Secret, Cosmic Top Secret, or Cosmic Top Secret Atomal. In case of national clearances, specify the level and state the average time required for its conversion into a NATO clearance under the under the "Remarks" column.

**ANNEX D LIST OF PROPOSED SUBCONTRACTORS AND BIDDER’S CORE CONSULTING DOMAINS**

[Insert Legal Name of The Firm] ([Abbreviated Name]) intends to place or use the following sub-contracts for the performance of the Agreement under solicitation.

Name and Address of Subcontractor	DUNS Number <sup>6</sup>	Primary Location of Work	Items to be Provided/ Consulting Domain	Estimated Euro Value/Level of Effort of Subcontract

The following domains are identified as Contractor’s Core Consulting Domains<sup>7</sup>:

Business Strategy Consulting	
Business Process Design and Management	
Program and Project Management Support	
Business Transformation and Organizational Change Mgmt.	
Human Capital Management Consulting	

Procurement & Contract Mgmt Consulting and Support	
Internal and External Communications Support	
Quality Assurance Support and IV& V Services	
Financial and Economic Consultancy	
Accounting Advice and Services	

Audit & Assurance/ Forensic Accounting	
Learning and Development Support	
Transportation& Logistics Consulting	
Infrastructure& Facilities Ops & Mgmt. Consulting	
Systems and Operations Consulting and Support	

<sup>6</sup> Data Universal Numbering System (DUNS). Bidders are requested to provide this data in order to help the Organization identify Subcontractors. If a Subcontractor’s DUNS is not known this field may be left blank.

<sup>7</sup> Please, select your options by ticking the appropriate boxes. Bidders must select at least 9 domains from the list to be considered compliant. These domains are described in ANNEX A to Part IV of the RFP. Bidders must identify those domains that should be considered as Bidder’s core business and for which the Bidder will not subcontract more than 20 % of the staffing resources or labor hours/work required within the specific domain under the framework agreement (see definition in paragraph 1.1.2 of the Special Terms and Conditions).

[Abbreviated Name] warrants and represents that:

1. The list of subcontracts stated above complies with the requirements specified in clause 18 of the Special Terms and Conditions of the Agreement;
2. During the Agreement's effective period, [Abbreviated Name] will comply with the subcontracting restrictions and procedures specified in clause 18 of the Special Terms and Conditions of the Agreement.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

**ANNEX E SAMPLE STATEMENT REGARDING CONFLICTS OF INTEREST**

[Insert Legal Name of The Firm] ([Abbreviated Name]) warrants that, to the best of our knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational or personal Conflict of Interest, or that we have disclosed all such relevant information as part of the COI Mitigation Plan as incorporated in this proposal.

We believe [Abbreviated Name] is able to render impartial assistance and advice to NATO and our staff's objectivity in performing this work is unimpaired because of the following reasons<sup>8</sup>:

We have read and understand the contracting exclusions and other obligations imposed by the prospective agreement with respect to potential organizational and personal Conflicts of Interest.

If an actual or potential Conflict of Interest is discovered after award, [Abbreviated Name] will make a full disclosure in writing to the Organization as specified in clause 22 of the Special Terms and Conditions of the RFP.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

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<sup>8</sup> Bidders must substantiate the reasons why they consider they can render impartial assistance based on the relevant facts and circumstances at the time of proposal submission.

**ANNEX F LIST OF KEY PERSONNEL AND FOCAL POINTS**

No	Position	SOW /Proposal Reference	Key Personnel (Y/N)	Full Names (Primary & Back-up)	Nationality	Passport/ID Numbers
1.	Responsible senior executive		N			
2.	Framework contract manager		N			
3.	Authorized negotiator		N			
4.	Senior technical leader		Y			

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

## **ANNEX G REPRESENTATIVE TASKS**

### **1. BACKGROUND INFORMATION ABOUT THE ORGANIZATION**

Section 1.5 of the SOW provides background information about the Organization, the NATO Headquarters, and the main reform initiatives that may require the Management Advisory Services (MAS) specified in this solicitation of offers.

As explained in the SOW, the Organization is currently in the process of building a new Headquarters in Brussels with an estimated completion date of late 2015. The new Headquarters building will be equipped with state-of-the-art, highly efficient and fully integrated building and office technology. NATO HQ plans to use of the transition to the New NATO HQ to develop new ways of working, evaluate the implementation of modern business practices such as outsourcing and generally improve the performance of its operations. The move to the new NATO HQ is planned for 2016 and will be followed by a decommissioning and hand back to Belgium of current NATO HQ site.

At the same time NATO is currently engaged in major reforms across the Alliance:

1. The NATO Command Structure reform
2. The NATO Agencies reform
3. Shared Services Design and Implementation across NATO Agencies and NATO HQ
4. NATO HQ International Staff reform
5. The Transition to the New NATO HQ
6. Implementation of Enterprise Resource Planning (ERP), Enterprise Information Management (EIM) and Program Portfolio Management (PPM) systems and related improved business processes

Some of these reforms (specifically serials 3 to 6) require consulting and implementation support for specialized activities that are subject to this procurement. Below are illustrative examples of the expected consulting work required to support some of the reform initiatives listed above. While this is not a comprehensive listing of the work the Organization intends to award through the Management Advisory Services contract it is representative of the deliverables, skill sets and types of activities that will be the subject of task orders as part of this contract.

### **2. THE TRANSITION TO THE NEW NATO HQ**

The transition from the Current NATO HQ (CNHQ) to the New NATO HQ (NNHQ) is a multi-year, multi-discipline program that is expected to achieve the following three major objectives: configure the NATO HQ staff and organization for the new facilities in the NNHQ, move the population of the CNHQ to the NNHQ and hand back the CNHQ to Belgium. To support the achievement of these objects consulting and implementation support will be sought for the following areas:

#### **2.1. DEVELOPMENT OF AN ORGANIZATIONAL AND OPERATIONAL BLUEPRINT FOR OPERATING THE NNHQ FACILITIES.**

The Organization is required to develop accurate cost estimates for the operations and maintenance of the NNHQ facilities including building operations, conference center operations, security and technology operations. Financial models, including budgets, metering and rebilling of common costs and rental costs to national delegations and NATO agencies will

be developed as part of this activity. A new support organization, especially in the area of facilities management, will be developed as part of this activity with the objective of establishing the most efficient way of operating the NNHQ facilities. Service catalogs, service level agreements and key performance indicators will be developed as part of this activity.

#### 2.2. DEVELOPMENT OF AN OPERATIONAL BLUEPRINT FOR OPERATING LOGISTICS AND IN THE NNHQ

An organizational and operational blueprint, complete with budgetary and cost information required to support logistics for the NNHQ will be developed as part of this activity. The logistical operations include the receiving and distribution of courier, supplies and materiel in the NNHQ using a dedicated infrastructure that includes a centralized receiving facility and warehouse and a dedicated underground tunnel linking the receiving facilities with the main building.

#### 2.3. DEVELOPMENT OF AN ORGANIZATIONAL AND OPERATIONAL BLUEPRINT TO SUPPORT MODERN SOURCING IN NNHQ

Development of an organizational and operational blueprint to support modern sourcing in the NNHQ. The NNHQ is expected to allow or require an increase use of outsourced and in-sourced service providers that will allow NATO HQ to focus on its core missions. A comprehensive review and recommendations for the right mix of out/in-sourced activities at NNHQ will be developed during this activity. The review will cover traditional activities such as building operations (e.g. cleaning, maintenance) as well as specific activities such as fire and ambulance services and some aspects of security. A series of business cases that will allow decision making on sourcing will be developed along with recommendations for the required support organizations and staff skills (e.g. procurement, finance) needed to enable the selected sourcing mix.

#### 2.4. CATERING AND RETAIL ACTIVITIES OPERATIONS

NATO HQ operates or contracts a series of morale and welfare activities on the NNHQ campus including catering, restaurants, health/well-being center, medical center and retail outlets. As part of this activity a comprehensive plan for catering and retail activities, including a business plan for the commercial operations and organizational responsibility for oversight of such activities will be developed.

#### 2.5. RELOCATION PLANNING, LOGISTICS, AND EXECUTION SUPPORT

All staff including NATO and non NATO (i.e. national delegations) will be moved from the CNHQ to the NNHQ. The move is expected to have a high degree of complexity and stringent security requirements and will span several months. In addition to traditional office moves there is a significant number of specialist items that must be moved. Specialist items include archives, art work, weapons and ammunition, specialized technical equipment. The move is a critical activity for the program due to its complexity, visibility and risk. Comprehensive move planning, execution and follow-up (including individual customer satisfaction surveys) must be undertaken as part of this activity. A comprehensive move plan, and sound execution are the outcomes of this activity.

#### 2.6. STAFF TRAINING AND DEVELOPMENT INCLUDING CAPACITY BUILDING TO OPERATE THE NNHQ

NATO and non-NATO staff must be exposed and trained in the usage of the NNHQ and particularly the operation of the IT systems to be installed in the NNHQ. A comprehensive training plan will be developed and executed as part of this activity.

#### 2.7. SUPPORT IN THE DECOMMISSIONING OF THE CNHQ

Most of the existing assets, furnishing and equipment currently used in the CNHQ will not be moved to the NNHQ. Disposal of assets left behind (including valuation) and planning and execution of the hand back of the CNHQ to Belgium will be executed as part of this activity.

#### 2.8. GENERAL PROGRAM AND PROJECT MANAGEMENT SUPPORT

Program and project management, including planning, execution supervision, benefits realization and risk management will be performed as part of this activity.

#### 2.9. COMMUNICATIONS SUPPORT DURING THE PROGRAM EXECUTION

Communications – especially internal – will be executed as part of this activity. The envisioned communications activities relate to development of channels, key messages, communications planning and sequencing and engagement with stakeholders.

### 3. SHARED SERVICES DESIGN AND IMPLEMENTATION

NATO is embarking on an ambitious plan, as part of NATO Agencies Reform, to design and put in place a shared services environment to provide support services in HR, Finance, Procurement and IT to all NATO agencies and NATO Headquarters. To support the achievement of these objects consulting and implementation support could be sought for the following areas:

#### 3.1. SHARED SERVICES DETAILED DESIGN

Developing the shared services Standard Operating Model defining activities that will move into a shared services environment and activities that will have to stay with the retained organization. Defining the delivery model (who will provide what services from where). Location analysis. Organizational design to support the shared services operation. Legal and regulatory implication for implementing shared services. Enabling Technology requirements in the short, medium and long term. Defining the Service Management Framework (Service Level Agreement, charging mechanism, Key Performance Indicators, etc.). Migration Strategy, defining the sequence of the go-lives in the shared services environment and the methodology to execute it. Financial business case to determine current and future costs, upfront investments needed, payback period, etc.

#### 3.2. SHARED SERVICES IMPLEMENTATION

Knowledge transfer planning and monitoring. Develop detailed job description for shared services and retained organization. Review and support development of desktop procedures. Prepare for cut-over. Support stabilization.

### 4. IMPLEMENTATION OF NEW SYSTEMS

#### 4.1. INDEPENDENT VERIFICATION AND VALIDATION IN SUPPORT OF PPM SYSTEM IMPLEMENTATION

As part of a NATO Resource Reform process, the NATO Office of Resources (NOR) has started to improve its Business Processes: the objectives of the reform project is to enhance the NATO financial and implementation management processes by increasing the levels of transparency, accountability and efficiency and fully take into account current best practices in public finance.

To support their enhanced Business processes, the NOR envisages to purchase and implement a Project Portfolio Management system (PPM). The PPM System will provide the necessary functionality for receiving, validating, recording, analyzing, monitoring and reporting financial and implementation information on current and planned common funded military capabilities in terms of investment, operation and maintenance and manpower costs.

Independent Verification and Validation activities will be required during the system implementation, rollout and post go-live to ensure that the PPM solution meets requirements and specifications and that it fulfills its intended purpose.

#### 4.2. INDEPENDENT VERIFICATION AND VALIDATION SERVICES FOR THE ERP SYSTEM IMPLEMENTATION

Another significant IT initiative is the implementation of an Enterprise Resource Planning (ERP) System. The Constellation Project was established as part of the larger NATO HQ Information and Communications Technology (ICT) Revitalization Program. The Project Mandate, as approved by the NAC, is to improve management of the NATO IS by transforming business processes and introducing enabling technology tools such as an integrated ERP suite. In particular, the project will replace existing, obsolete, custom systems that support resource planning activities such as budgeting, financial management, procurement and asset management and human resources management with an integrated enterprise resource management suite.

Independent Verification & Validation services will be required to improve project quality and ensure that the system delivers the expected benefits (e.g., enable IPSAS compliance, achieve greater process effectiveness, efficiency, and savings, make available improved reporting capabilities, etc.)

#### 4.3. SUPPORT TO BUSINESS DATA AND APPLICATION MIGRATION

One of the projects defined in the scope of the new building is to prepare and execute the migration of business data and applications from the current ICT infrastructure to the one in the new building. The project is called Business Data and Applications Migration (BDAM).

The BDAM project will focus on the migration of the portfolio of business applications and their associated data from the current to the new NATO HQ environment. The NATO HQ users moving from current to new NATO HQ will get access to their usual business applications from their new clients. Some ICT hardware assets will be moved from the current to the new HQ although that should be exceptional. The project comprises the full portfolio of business applications and associated data in support of the NATO headquarters

A number of work packages and technical stages have been defined. Each business application and ICT service within the BDAM project scope will be tested before migration in attest facility that will be similar to the future ICT environment. As a second step all non-production environments will be migrated to the new environment. Finally the production environment will be migrated. After every step in the process a set of predefined tests will have to be conducted. In order to ensure that information security accreditation can be granted, a set of Security Tests & Verifications have to be conducted.

The business applications have been grouped in clusters of applications based on their functionality. Today there are three main clusters identified:

- all applications related to Enterprise Information Management (EIM),
- all applications related to Enterprise Resource Planning (ERP),
- all legacy applications that do not fit in the above categories, supporting NATO HQ core businesses.

The migration of the main CotS business applications will be subject to contracts with the business applications vendor and/or integrator. The migration of the legacy business applications will be subject to one or more contracts to increase the manning level of the team that will support the migration of legacy business applications. Management and advisory services may be required for the execution of overall project management tasks and project support services.

## **5. NATO IS REVIEW AND OTHER IMPROVEMENT INITIATIVES**

### **5.1. BUSINESS PROCESS REENGINEERING**

Against a backdrop of changing priorities and real budgetary pressures, efforts are also underway to ensure that the International Staff evolves towards a leaner, more flexible workforce sharply focused on NATO's priority areas.

Consulting advice may be required in order to establish reengineered business processes and design specific changes to achieve the vision of the future Organization.

### **5.2. DESIGN AND IMPLEMENTATION OF AN ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK**

The Office of the Financial Controller has undertaken an initiative for the implementation of an Enterprise Risk Management framework to help the Organization to properly manage corporate risks and to support internal control processes such as the development of a plan of internal audit engagements and the implementation of a Manager's Internal Control Program.

Management advisory services may be required to support the development and implementation of the stated ERM framework and associated internal control processes.

### **5.3. SUPPORT TO CHANGE AND IMPROVEMENT INITIATIVES IN OTHER NATO ENTITIES**

As stated in the SOW, other NATO entities are affected by the on-going NATO reform. The MAS framework agreements will be made available to other NATO entities so they can order, in a timely and cost-effective manner, those business consulting services that may be needed to support their own reform projects. The Allied Command Operations has already expressed interest in the services that will be provided under these agreements.



<u>Clause</u> <sup>10</sup>	<u>Proposed Deviation</u> <sup>11</sup>	<u>Rational</u> <sup>12</sup>	<u>Impact if not Accepted</u> <sup>13</sup>

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

**ANNEX I PRICE PROPOSAL – RFP – 2012/20**

On behalf of the firm stated below I hereby offer providing the Organization with the services and deliverables (collectively referred as “ITEMS”) set forth in the schedule below, at the specified prices, and subject to the terms and conditions stated in the referred RFP.

A. Consulting Rates

Rates applicable to services provided under task orders issued in accordance with clause 3 (Ordering) of the Special Terms and Conditions (Part II).

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
1.	Business Strategy Consulting - Director / Partner	Section 4, Annexes A& B			
2.	Business Strategy Consulting - Engagement Executive	Section 4, Annexes A& B			
3.	Business Strategy Consulting - Managing consultant	Section 4, Annexes A& B			
4.	Business Strategy Consulting - Principal consultant	Section 4, Annexes A& B			
5.	Business Strategy Consulting - Senior consultant	Section 4, Annexes A& B			
6.	Business Strategy Consulting - Consultant	Section 4, Annexes A& B			
7.	Business Strategy Consulting - Junior consultant	Section 4, Annexes A& B			
8.	Business Strategy Consulting - Consulting Assistant	Section 4, Annexes A& B			
9.	Business Strategy Consulting - Office Assistant	Section 4, Annexes A& B			
10.	Business Process Design and Management - Director / Partner	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
11.	Business Process Design and Management - Engagement Executive	Section 4, Annexes A& B			
12.	Business Process Design and Management - Managing consultant	Section 4, Annexes A& B			
13.	Business Process Design and Management - Principal consultant	Section 4, Annexes A& B			
14.	Business Process Design and Management - Senior consultant	Section 4, Annexes A& B			
15.	Business Process Design and Management - Consultant	Section 4, Annexes A& B			
16.	Business Process Design and Management - Junior consultant	Section 4, Annexes A& B			
17.	Business Process Design and Management - Consulting Assistant	Section 4, Annexes A& B			
18.	Business Process Design and Management - Office Assistant	Section 4, Annexes A& B			
19.	Program and Project Management Support - Director / Partner	Section 4, Annexes A& B			
20.	Program and Project Management Support - Engagement Executive	Section 4, Annexes A& B			
21.	Program and Project Management Support - Managing consultant	Section 4, Annexes A& B			
22.	Program and Project Management Support - Principal consultant	Section 4, Annexes A& B			
23.	Program and Project Management Support - Senior consultant	Section 4, Annexes A& B			
24.	Program and Project Management Support - Consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
25.	Program and Project Management Support - Junior consultant	Section 4, Annexes A& B			
26.	Program and Project Management Support - Consulting Assistant	Section 4, Annexes A& B			
27.	Program and Project Management Support - Office Assistant	Section 4, Annexes A& B			
28.	Business Transformation and Organizational Change Management - Director / Partner	Section 4, Annexes A& B			
29.	Business Transformation and Organizational Change Management - Engagement Executive	Section 4, Annexes A& B			
30.	Business Transformation and Organizational Change Management - Managing consultant	Section 4, Annexes A& B			
31.	Business Transformation and Organizational Change Management - Principal consultant	Section 4, Annexes A& B			
32.	Business Transformation and Organizational Change Management - Senior consultant	Section 4, Annexes A& B			
33.	Business Transformation and Organizational Change Management - Consultant	Section 4, Annexes A& B			
34.	Business Transformation and Organizational Change Management - Junior consultant	Section 4, Annexes A& B			
35.	Business Transformation and Organizational Change Management - Consulting Assistant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
36.	Business Transformation and Organizational Change Management - Office Assistant	Section 4, Annexes A& B			
37.	Human Capital Management Consulting - Director / Partner	Section 4, Annexes A& B			
38.	Human Capital Management Consulting - Engagement Executive	Section 4, Annexes A& B			
39.	Human Capital Management Consulting - Managing consultant	Section 4, Annexes A& B			
40.	Human Capital Management Consulting - Principal consultant	Section 4, Annexes A& B			
41.	Human Capital Management Consulting - Senior consultant	Section 4, Annexes A& B			
42.	Human Capital Management Consulting - Consultant	Section 4, Annexes A& B			
43.	Human Capital Management Consulting - Junior consultant	Section 4, Annexes A& B			
44.	Human Capital Management Consulting - Consulting Assistant	Section 4, Annexes A& B			
45.	Human Capital Management Consulting - Office Assistant	Section 4, Annexes A& B			
46.	Procurement and Contract Management Consulting and Support - Director / Partner	Section 4, Annexes A& B			
47.	Procurement and Contract Management Consulting and Support - Engagement Executive	Section 4, Annexes A& B			
48.	Procurement and Contract Management Consulting and Support - Managing consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
49.	Procurement and Contract Management Consulting and Support - Principal consultant	Section 4, Annexes A& B			
50.	Procurement and Contract Management Consulting and Support - Senior consultant	Section 4, Annexes A& B			
51.	Procurement and Contract Management Consulting and Support - Consultant	Section 4, Annexes A& B			
52.	Procurement and Contract Management Consulting and Support - Junior consultant	Section 4, Annexes A& B			
53.	Procurement and Contract Management Consulting and Support - Consulting Assistant	Section 4, Annexes A& B			
54.	Procurement and Contract Management Consulting and Support - Office Assistant	Section 4, Annexes A& B			
55.	Internal and External Communications Support - Director / Partner	Section 4, Annexes A& B			
56.	Internal and External Communications Support - Engagement Executive	Section 4, Annexes A& B			
57.	Internal and External Communications Support - Managing consultant	Section 4, Annexes A& B			
58.	Internal and External Communications Support - Principal consultant	Section 4, Annexes A& B			
59.	Internal and External Communications Support - Senior consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
60.	Internal and External Communications Support - Consultant	Section 4, Annexes A& B			
61.	Internal and External Communications Support - Junior consultant	Section 4, Annexes A& B			
62.	Internal and External Communications Support - Consulting Assistant	Section 4, Annexes A& B			
63.	Internal and External Communications Support - Office Assistant	Section 4, Annexes A& B			
64.	Quality Assurance Support and Independent Verification& Validation Services - Director / Partner	Section 4, Annexes A& B			
65.	Quality Assurance Support and Independent Verification& Validation Services - Engagement Executive	Section 4, Annexes A& B			
66.	Quality Assurance Support and Independent Verification& Validation Services - Managing consultant	Section 4, Annexes A& B			
67.	Quality Assurance Support and Independent Verification& Validation Services - Principal consultant	Section 4, Annexes A& B			
68.	Quality Assurance Support and Independent Verification& Validation Services - Senior consultant	Section 4, Annexes A& B			
69.	Quality Assurance Support and Independent Verification& Validation Services - Consultant	Section 4, Annexes A& B			
70.	Quality Assurance Support and Independent Verification& Validation Services - Junior consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
71.	Quality Assurance Support and Independent Verification& Validation Services - Consulting Assistant	Section 4, Annexes A& B			
72.	Quality Assurance Support and Independent Verification& Validation Services - Office Assistant	Section 4, Annexes A& B			
73.	Financial and Economic Consultancy - Partner or Director Accountant / Auditor	Section 4, Annexes A& B			
74.	Financial and Economic Consultancy - Engagement Executive	Section 4, Annexes A& B			
75.	Financial and Economic Consultancy - Managing consultant	Section 4, Annexes A& B			
76.	Financial and Economic Consultancy - Managing Accountant / Auditor	Section 4, Annexes A& B			
77.	Financial and Economic Consultancy - Principal consultant	Section 4, Annexes A& B			
78.	Financial and Economic Consultancy - Principal Accountant /Auditor	Section 4, Annexes A& B			
79.	Financial and Economic Consultancy - Senior consultant	Section 4, Annexes A& B			
80.	Financial and Economic Consultancy - Senior Accountant /Auditor	Section 4, Annexes A& B			
81.	Financial and Economic Consultancy - Consultant	Section 4, Annexes A& B			
82.	Financial and Economic Consultancy - Accountant / Auditor	Section 4, Annexes A& B			
83.	Financial and Economic Consultancy - Junior consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
84.	Financial and Economic Consultancy - Junior Accountant/Auditor	Section 4, Annexes A& B			
85.	Financial and Economic Consultancy - Consulting Assistant	Section 4, Annexes A& B			
86.	Financial and Economic Consultancy - Office Assistant	Section 4, Annexes A& B			
87.	Accounting Advice and Services - Director / Partner	Section 4, Annexes A& B			
88.	Accounting Advice and Services - Partner or Director Accountant / Auditor	Section 4, Annexes A& B			
89.	Accounting Advice and Services - Engagement Executive	Section 4, Annexes A& B			
90.	Accounting Advice and Services - Managing consultant	Section 4, Annexes A& B			
91.	Accounting Advice and Services - Managing Accountant / Auditor	Section 4, Annexes A& B			
92.	Accounting Advice and Services - Principal consultant	Section 4, Annexes A& B			
93.	Accounting Advice and Services - Principal Accountant /Auditor	Section 4, Annexes A& B			
94.	Accounting Advice and Services - Senior consultant	Section 4, Annexes A& B			
95.	Accounting Advice and Services - Senior Accountant /Auditor	Section 4, Annexes A& B			
96.	Accounting Advice and Services - Consultant	Section 4, Annexes A& B			
97.	Accounting Advice and Services - Accountant / Auditor	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
98.	Accounting Advice and Services - Junior consultant	Section 4, Annexes A& B			
99.	Accounting Advice and Services - Junior Accountant/Auditor	Section 4, Annexes A& B			
100.	Accounting Advice and Services - Consulting Assistant	Section 4, Annexes A& B			
101.	Accounting Advice and Services - Office Assistant	Section 4, Annexes A& B			
102.	Audit & Assurance/ Forensic Accounting - Director / Partner	Section 4, Annexes A& B			
103.	Audit & Assurance/ Forensic Accounting - Partner or Director Accountant / Auditor	Section 4, Annexes A& B			
104.	Audit & Assurance/ Forensic Accounting - Engagement Executive	Section 4, Annexes A& B			
105.	Audit & Assurance/ Forensic Accounting - Managing consultant	Section 4, Annexes A& B			
106.	Audit & Assurance/ Forensic Accounting - Managing Accountant / Auditor	Section 4, Annexes A& B			
107.	Audit & Assurance/ Forensic Accounting - Principal consultant	Section 4, Annexes A& B			
108.	Audit & Assurance/ Forensic Accounting - Principal Accountant /Auditor	Section 4, Annexes A& B			
109.	Audit & Assurance/ Forensic Accounting - Senior consultant	Section 4, Annexes A& B			
110.	Audit & Assurance/ Forensic Accounting - Senior Accountant /Auditor	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
111.	Audit & Assurance/ Forensic Accounting - Consultant	Section 4, Annexes A& B			
112.	Audit & Assurance/ Forensic Accounting - Accountant / Auditor	Section 4, Annexes A& B			
113.	Audit & Assurance/ Forensic Accounting - Junior consultant	Section 4, Annexes A& B			
114.	Audit & Assurance/ Forensic Accounting - Junior Accountant/Auditor	Section 4, Annexes A& B			
115.	Audit & Assurance/ Forensic Accounting - Consulting Assistant	Section 4, Annexes A& B			
116.	Audit & Assurance/ Forensic Accounting - Office Assistant	Section 4, Annexes A& B			
117.	Learning and Development Support - Director / Partner	Section 4, Annexes A& B			
118.	Learning and Development Support - Engagement Executive	Section 4, Annexes A& B			
119.	Learning and Development Support - Managing consultant	Section 4, Annexes A& B			
120.	Learning and Development Support - Principal consultant	Section 4, Annexes A& B			
121.	Learning and Development Support - Senior consultant	Section 4, Annexes A& B			
122.	Learning and Development Support - Consultant	Section 4, Annexes A& B			
123.	Learning and Development Support - Junior consultant	Section 4, Annexes A& B			
124.	Learning and Development Support - Consulting Assistant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
125.	Learning and Development Support - Office Assistant	Section 4, Annexes A& B			
126.	Transportation& Logistics Consulting - Director / Partner	Section 4, Annexes A& B			
127.	Transportation& Logistics Consulting - Engagement Executive	Section 4, Annexes A& B			
128.	Transportation& Logistics Consulting - Managing consultant	Section 4, Annexes A& B			
129.	Transportation& Logistics Consulting - Principal consultant	Section 4, Annexes A& B			
130.	Transportation& Logistics Consulting - Senior consultant	Section 4, Annexes A& B			
131.	Transportation& Logistics Consulting - Consultant	Section 4, Annexes A& B			
132.	Transportation& Logistics Consulting - Junior consultant	Section 4, Annexes A& B			
133.	Transportation& Logistics Consulting - Consulting Assistant	Section 4, Annexes A& B			
134.	Transportation& Logistics Consulting - Office Assistant	Section 4, Annexes A& B			
135.	Infrastructure and Facilities Operations and Management Consulting - Director / Partner	Section 4, Annexes A& B			
136.	Infrastructure and Facilities Operations and Management Consulting - Engagement Executive	Section 4, Annexes A& B			
137.	Infrastructure and Facilities Operations and Management Consulting - Managing consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
138.	Infrastructure and Facilities Operations and Management Consulting - Principal consultant	Section 4, Annexes A& B			
139.	Infrastructure and Facilities Operations and Management Consulting - Senior consultant	Section 4, Annexes A& B			
140.	Infrastructure and Facilities Operations and Management Consulting - Consultant	Section 4, Annexes A& B			
141.	Infrastructure and Facilities Operations and Management Consulting - Junior consultant	Section 4, Annexes A& B			
142.	Infrastructure and Facilities Operations and Management Consulting - Consulting Assistant	Section 4, Annexes A& B			
143.	Infrastructure and Facilities Operations and Management Consulting - Office Assistant	Section 4, Annexes A& B			
144.	Systems and Operations Consulting and Support - Director / Partner	Section 4, Annexes A& B			
145.	Systems and Operations Consulting and Support - Engagement Executive	Section 4, Annexes A& B			
146.	Systems and Operations Consulting and Support - Managing consultant	Section 4, Annexes A& B			
147.	Systems and Operations Consulting and Support - Principal consultant	Section 4, Annexes A& B			
148.	Systems and Operations Consulting and Support - Senior consultant	Section 4, Annexes A& B			

Line-Item Number	Labor Category	SOW Reference	Currency	Daily Rate (Home Office)	Daily Rate (Brussels, BE)
149.	Systems and Operations Consulting and Support - Consultant	Section 4, Annexes A& B			
150.	Systems and Operations Consulting and Support - Junior consultant	Section 4, Annexes A& B			
151.	Systems and Operations Consulting and Support - Consulting Assistant	Section 4, Annexes A& B			
152.	Systems and Operations Consulting and Support - Office Assistant	Section 4, Annexes A& B			

**B. Contractor’s Home Office**

The following location(s) must be considered as Contractor’s Home Office for the purposes of calculation of authorized travel and per diem costs under the terms of clause 3 of the Special Terms and Conditions of the prospective Contract<sup>14</sup>:

No	Home Office (Street Address, City, and Country)	Personnel to whom this Home Office applies (Generic Resource or Last Name, First Name)
1.		
2.		
3.		
4.		
5.		

<sup>14</sup> Bidders may specify more than one Home Office location but must identify to exactly which Bidder’s personnel each Home Office applies. Bidders must provide the full address of the location(s) for the calculation of authorized travel costs and per diem.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

**ANNEX J SIGNATURE PAGE**

## **MANAGEMENT AND ADVISORY SERVICES FRAMEWORK AGREEMENT**

Between

The North Atlantic Treaty Organization, with its Headquarters located in Boulevard Leopold III, 1110 Brussels, BELGIUM (hereinafter referred to as “the Organization”)

And

[Insert Full Legal Name of the Bidder], with its principal office located at [Insert Bidder’s address, i.e., number, street, postal code, city, and country] (hereinafter referred to as the Contractor; the Organization and the Contractor are hereinafter collectively referred to as the “Parties”).

In consideration of the mutual covenants and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

### **1 ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

- 1.1. This document (hereinafter referred to as the “Signature Page”) and the following named documents constitute the entire Agreement between the Parties (hereinafter referred to as the “Agreement”):
  - a. Organization’s Request For Proposals RFP – 2012/20, dated 7 Aug 2012 **as amended through RFP Amendment # 1, dated 28 Aug 2012** (hereinafter referred to as the RFP); and
  - b. Contractor’s Proposal, dated [Insert the date of the Proposal, e.g., 14 Sep 2012].
- 1.2. Except for the supplemental terms and conditions included in task orders issued under clause 3 of the Special Terms and Conditions of the Agreement, no shrink-wrap, click-wrap, or other terms and conditions or agreements (“Additional Terms”) provided with any products, services, or software hereunder shall be binding on the Organization, even if use of such products, services, or software requires an affirmative “acceptance” of those Additional Terms before access is permitted. All such Additional Terms shall be of no force or effect and shall be deemed rejected by the Organization in their entirety.
- 1.3. In the event of any conflict or inconsistencies between or among any of the documents comprising this Agreement, then the following order of priority shall apply:
  - a. The Schedule of Exceptions from the terms and conditions of the prospective contract which was included in the Contractor’s proposal stated above;
  - b. This Signature Page;
  - c. Part II of the RFP (Special Terms and Conditions) and its Annexes;
  - d. Part III of the RFP (General Terms and Conditions) and its Annexes;
  - e. Part IV of the RFP (Statement Of Work) and its Annexes;
  - f. Last, the remaining parts of the Contractor's Proposal stated above.
- 1.4. This Agreement may not be modified or amended except by a written instrument executed by the Parties.

## 2 DEFINITIONS

- 2.1. The following terms and acronyms will have the meanings specified herein:
- 2.2. “Price Schedule” refers to the price schedule included in the Contractor’s Proposal stated in paragraph 1.1.b above;
- 2.3. “Contractor’s Proposal” refers to the offer stated in paragraph 1.1.b above; and
- 2.4. “RFP” refers to the NATO Request for Proposals specified in paragraph 1.1 a above.

## 3 SCOPE

- 3.1. This is a multiple-award framework agreement for the provision of the services specified in the Statement of Work (Part IV of the RFP). Any time work or services will be needed under the framework agreement, the Organization will provide the Contractor with a fair opportunity to compete and be considered for the award and execution of the corresponding task order.
- 3.2. Task orders will be issued according to the procedures established in clause 3 of the Special Terms and Conditions and will specify the most appropriate compensation arrangement considering the circumstances of each case. This may include any (or a combination) of the following pricing arrangements: firm-fixed price, time and materials, or labor-hour arrangements.
- 3.3. Task orders may include additional terms and conditions to supplement or refine the basic terms of the framework agreement and reflect particular circumstances for the execution of the individual task order such as particular delivery timescales, additional security needs, particular invoicing arrangements and payment profiles, incidental charges, and other particular requirements. However, substantive modifications to the terms or scope set out in the Agreement are not authorized.

## 4 PRICES AND EXTENT OF OBLIGATION

- 4.1. The Organization shall pay the Contractor, for the provision of products and services delivered under this Agreement, according to the unit prices specified in the Price Schedule.
- 4.2. The Organization is not obliged to order any minimum amount of products or services under this Agreement. Notwithstanding this, the Organization is planning to order a minimum global amount of **€ 2,400,000** worth of products or services under framework agreements awarded through the RFP and, with the exceptions specified in the Agreement, provide the Contractor with a fair opportunity to receive the award of the task orders issued under the stated framework agreements.

## 5 CONTRACT ADMINISTRATION

- 5.1. All notices and communications between the Contractor and the Organization shall be delivered at the following address and contact details:

Contractor: [Insert Bidder's Name for Notification Purposes]  
 [Insert Building, Number, and Street]  
 [Insert City and Postal Code]  
 [Insert Country]  
 Attn: [Insert Name of Point of Contact for Notification]

Contract No \_\_\_\_\_

Purposes]

Tel: [Insert full telephone number, including prefix, for notification purposes]

Fax: [Insert full fax number, including prefix, for notification purposes]

e-mail: [Insert full e-mail address for notification purposes]

The Organization: NATO Headquarters  
 Procurement Service  
 Office of Financial Control  
 Boulevard Leopold III  
 1110 Brussels, Belgium  
 Attn: Ms. Esther ASENSIO  
 Tel: +32 2 707 4480  
 Fax: +32 2 707 4927  
 e-mail: [asensio.esther@hq.nato.int](mailto:asensio.esther@hq.nato.int)

**6 DURATION OF AGREEMENT**

6.1. This Agreement will be effective from the date of last signature by the Parties and, unless terminated at an earlier date by operation of Law or in accordance with other terms and conditions of the Agreement will terminate 6 years after the Agreement effective date without prejudice to the duration of any confidentiality obligations and contracting restraints that may be applicable in accordance with other terms of the Agreement.

Both Parties have read, understand, and accept the terms of this Agreement which is therefore dated and signed.

Date: \_\_\_\_\_ Date:[Insert the date the document is signed, e.g., 15 Feb 2012]  
 The Organization \_\_\_\_\_ CONTRACTOR<sup>15</sup>

Javier Carrasco \_\_\_\_\_ Name:[Insert the name of the individual that signs the document]  
 Head of Procurement \_\_\_\_\_ Position:[Insert the position of the individual that signed the document]

THE VALIDITY OF THIS AGREEMENT WILL BE CONTINGENT UPON THE SIGNATURE OF THE FINANCIAL CONTROLLER

\_\_\_\_\_  
 Financial Controller \_\_\_\_\_ Date

\_\_\_\_\_

<sup>15</sup> Space reserved for the signature of a duly appointed representative of the Contractor with sufficient authority to enter into the Agreement.

**ANNEX K PROPOSAL LABEL**

Nom/Name :

Adresse/Address :

**OTAN / NATO**

**Service Achats  
Procurement Service**

**1110 BRUXELLES / BRUSSELS  
BELGIQUE / BELGIUM**

**2012/20**

**Démande de  
Propositions**

**Request For  
Proposals**

**REQUEST FOR PROPOSAL**

**RFP – 2012/20**

**NORTH ATLANTIC TREATY ORGANISATION (NATO)**

**MANAGEMENT ADVISORY SERVICES (MAS)  
FRAMEWORK AGREEMENT**

**PART II –SPECIAL TERMS AND CONDITIONS**

## PART II – SPECIAL TERMS AND CONDITIONS

### 1 DEFINITIONS AND ACRONYMS

- 1.1 As used throughout this Agreement, the following terms and acronyms have the meanings specified below, unless otherwise specified in the Agreement:
- 1.1.1 “Contract”: as used in the General Terms and Conditions refers to the Agreement including task orders issued under clause 3 of the Special Terms and Conditions.
- 1.1.2 “Contractor’s Core Consulting Domains”: those MAS domains which should be considered as Contractor’s core business and which are subject to the subcontracting restriction specified in paragraph 18.4.2 below. Contractor’s Core Consulting Domains are identified in the Contractor’s Proposal.
- 1.1.3 “Contractor’s Home Office”: the location specified in the Price Schedule for the purposes of calculation of authorized travel costs and per diem under the terms of clause 3 below.
- 1.1.4 “Delay”: the period of time by which the performance of task orders issued under the Agreement, is delayed by reference to milestone dates or required delivery dates established in the task orders.
- 1.1.5 “Deliverable”: an item, feature, product or service specified in the task orders issued under the Agreement, which is required to be delivered by the Contractor at a milestone date or at any other stage during the performance of this Agreement.
- 1.1.6 “Task order”: An order for services placed through the procedure specified in clause 3 of the Special Terms and Conditions.

### 2 FRAMEWORK AGREEMENT

- 2.1 This is a framework agreement for the supplies or services specified, and effective for the period stated, in the Agreement. Any quantities of supplies and services specified in the Agreement are estimates only and are not purchased by this Agreement.
- 2.2 Except as this Agreement may otherwise provide, if the Organization’s requirements do not result in orders in the quantities described as “estimated” or “maximum” in the Schedule, that fact shall not constitute the basis for an equitable price adjustment.
- 2.3 Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause (clause 3 below). Subject to any limitations in the Order Limitations clause or elsewhere in this Agreement, the Contractor shall furnish to the Organization all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Organization may issue orders requiring delivery to multiple destinations or performance at multiple locations.
- 2.4 Except as this Agreement otherwise provides, the Organization shall order from the Contractor, or from other firms to whom a framework agreement was awarded under the RFP, a total aggregated amount of **€ 2,400,000** worth of supplies or services within the scope of the Agreement. The Organization is not required to purchase from the Contractor or from other framework agreement holders requirements in excess of the stated total aggregated amount.

- 2.5 Any order issued during the effective period of this Agreement and not completed within that period shall be completed by the Contractor within the time specified in the order. The Agreement shall govern the Contractor's and Organization's rights and obligations with respect to that order to the same extent as if the order were completed during the Agreement's effective period; provided, that the Contractor shall not be required to make any deliveries under this Agreement seven years after the Agreement effective date.

### 3 ORDERING

- 3.1 The Contractor will not deliver any items/perform any services without an express written, serially numbered and dated purchase order specifying the works and/or products to be delivered. The Organization will not reimburse invoices raised against any purchase orders not authorized by the NATO Procurement Service.
- 3.2 Task or delivery orders will be issued according to the most appropriate compensation arrangement considering the circumstances of each case. This may include any (or a combination) of the following pricing arrangements: firm-fixed price (including objective and performance based), time and materials, or labor-hour arrangements.
- 3.3 Task or delivery orders may include additional terms and conditions to supplement or refine the basic terms of the framework agreement and reflect particular circumstances for the execution of the individual task or delivery order such as particular delivery timescales, additional security needs, particular invoicing arrangements and payment profiles, incidental charges, and other particular requirements. However, substantive modifications to the terms or scope set out in this Agreement are not authorized.
- 3.4 Award of Task Orders
- 3.4.1 The Organization must provide the Contractor, and any other firm to whom a framework agreement was awarded under the RFP, with a fair opportunity to be considered for each order issued under the stated framework agreements, except as provided for in paragraph 3.5 of this clause. The Organization may exercise broad discretion in the execution of appropriate order placement procedures within the limitations imposed by the terms of the Agreement.
- 3.4.2 When the need for goods and services covered by the framework arises, the Organization will submit a request for proposal, including a clear description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made, to all framework holders and afford all those responding to the request a reasonable response period and a fair opportunity to submit an offer and have that offer fairly considered.
- 3.4.3 **If the request for proposal is issued according to other than a labor-hour compensation arrangement**, the Contractor may decline to participate in the process by responding to the request with a "no bid" and including a brief statement as to the reasons why the Contractor chose not to respond.
- 3.4.4 The Organization will keep submission requirements to a minimum and use streamlined procedures, including oral presentations to reduce administrative costs and procurement lead-time. Task order proposals will normally include the following documentation:
- 3.4.4.1 A technical and management proposal, compliant with the requirements of the Agreement, providing details on how work and deliverables set in the Organization's request for proposal will be performed;

- 3.4.4.2 A price proposal with supporting cost or pricing data that may be reasonably requested by the Organization;
- 3.4.4.3 Any additional documentation that may be reasonably requested by the Organization in order to verify Contractor's statements of facts (e.g., certificates of origin, resumes of required key personnel, etc.)
- 3.4.5 The price proposal stated in paragraph 3.4.4.2 above shall conform to the pricing rates established in the Price Schedule, and shall comply with all the other pricing terms stated in the Agreement and the following rules:
- 3.4.5.1 If the task order requires Contractor's personnel to travel to locations other than Brussels or the Contractor's Home Office specified in the Price Schedule, the Contractor may include a suitable amount of authorized costs in its proposal to compensate any travel and per diem costs that may be incurred. This amount shall be based on the NATO Travel on Duty (TDY) standards applicable to equivalent labor categories and the consideration of the referred Contractor's Home Office (or Brussels, if the personnel is performing services in Brussels) as the Contractor's personnel habitual residence. Although travel costs within the stated limitations will be at the Organization's expense, the Contractor must make its own travel arrangements. Also, the Contractor shall provide on its own expense suitable insurance for its employees. Suitable insurance will comprise of travel insurance, medical evacuation insurance, and insurance to cover continuing medical cover and loss of income due to injuries or disablement that may be incurred.
- 3.4.5.2 If other direct costs are required for the performance of the tasks specified in the task order, the Contractor shall price these additional costs in accordance with the pricing terms established in the Agreement.
- 3.4.6 The Organization may modify, delay action on, or cancel any request for proposals issued under this Agreement when deemed to be in its best interest. The Organization will not reimburse Contractor(s) for any expenses related to task order proposal preparation and submission.
- 3.4.7 Task orders will be awarded to the framework holders whose conforming proposals represent the best value after evaluation in accordance with the factors and sub-factors specified in each solicitation. The Organization will normally award task orders without discussions with framework holders (except clarifications). However, the Organization reserves the right to conduct discussions, if NATO later determines them to be necessary, and to limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.
- 3.5 Exceptions to the fair opportunity process.
- 3.5.1 The Organization shall give the Contractor a fair opportunity to be considered for a task order to be issued under the framework unless one of the following exceptions applies:
- 3.5.1.1 The euro-value of the task order does not exceed € 19,500;
- 3.5.1.2 The need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays;
- 3.5.1.3 Only one framework holder, different from the Contractor, is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized;

- 3.5.1.4 The order must be issued on a sole-source basis to another framework holder in the interest of economy and efficiency because it is a logical follow-on to an order already issued under another framework agreement, provided that the Contractor was given a fair opportunity to be considered for the original order;
- 3.5.1.5 It is necessary to place an order to satisfy a minimum guarantee;
- 3.5.1.6 In view of other practical, technical, legal, or regulatory considerations it is determined that an exception to the fair opportunity process will be in the best interest of the Organization.

### 3.6 Debriefings

- 3.6.1 If the total euro value of the task order exceeds the simplified procurement threshold (€39,000), the Contractor may request a debriefing about the task order proposal evaluation process. Debriefings must be requested in writing through fax or e-mail sent to the Procurement Officer responsible for the administration of the Agreement not later than 5 days after the date of notification of the award decision.
- 3.6.2 The Organization may disclose the following Contractor's information in task order post-award debriefings to other framework holders that participated in the request for task order proposals:
  - 3.6.2.1 The overall evaluated cost or price and technical rating of the successful Contractor (if the award was not based on the lowest technically compliant bid approach);
  - 3.6.2.2 The overall ranking of all bidders, when any ranking was developed by Organization during source selection; and
  - 3.6.2.3 A summary of the rationale for award;
  - 3.6.2.4 Reasonable responses to relevant questions posed by the debriefed bidder as to whether source-selection procedures set forth in the request for task order proposals and other applicable regulations and procedures were followed by the Organization.

## 4 AUTHORISED ORDERING OFFICES

- 4.1 All procurement offices of the Organization, including any of its Affiliates, are authorized to reference and use the terms and conditions of this Agreement, subject to the provisions specified herein. The Contractor may request the Procurement Officer responsible for the administration of this Agreement to verify that specific NATO entities are eligible to use and place orders under the Agreement.
- 4.2 The Contractor shall accept that provisions of this Agreement may be incorporated by reference in purchase orders issued directly by authorized ordering offices. Regarding the use of the terms and conditions of this Agreement by authorized procurement offices other than the NATO IS Procurement Service, the Contractor agrees that the Organization acts only as an agent of the referred entities that shall be considered as having a direct contractual relationship with the Contractor, as principal, for purposes of all liability hereunder.

## 5 DELIVERABLE REVIEWS

- 5.1 If required by the terms of the task orders issued under this Agreement, the Contractor must perform quality reviews in accordance with the procedures and timelines specified in task orders and in any applicable Contractor's Quality Plans.
- 5.2 Each party will bear its own costs in respect to quality reviews and other testing and verification activities that may be required for the performance of task orders. However, if a Deliverable does not substantially achieve the Acceptance Criteria established for that Deliverable, any costs incurred by the Organization in the re-testing or repetition of the review and as a result of the failure to achieve the Acceptance Criteria will be the responsibility of the Contractor.
- 5.3 If the Contractor successfully completes the requisite tests, verifications, or quality reviews associated with a Deliverable, the Organization will issue an Acceptance Certificate for that specific Deliverable. The Organization may include several Deliverables in the same Acceptance Certificate, unless otherwise specified in task orders.

## 6 DELAYS

- 6.1 If the task order specifies specific delivery dates or milestones and, at any time during the performance of the task order, the Contractor becomes aware that it will not (or is unlikely) to achieve a milestone or Deliverable by the milestone or delivery date specified in the task order, the Contractor must immediately notify the Organization of the fact of the Delay and provide a summary of the reasons for it.
- 6.2 The Contractor shall, as soon as practicable, and in any event not later than 10 days after the initial notification stated in the paragraph above, give the Organization full details in writing of:
  - 6.2.1 The detailed reasons for the Delay;
  - 6.2.2 The consequences of the Delay; and
  - 6.2.3 If the Contractor claims that the Delay is due to an Organization's Cause, the reason for making that claim.
- 6.3 Whether the Delay is due to the Organization or not, the Contractor shall deploy all additional resources, and take all reasonable steps to eliminate or mitigate the consequences of the Delay.
- 6.4 Where the Contractor considers that the Delay is being caused or contributed to by an Organization's Cause, the Organization will not be liable to compensate the Contractor for Delays to which clauses 8 and 9 below apply unless the Contractor has fulfilled its obligations set out in, and in accordance with, clause 6.2.
- 6.5 Any disputes about or arising out of Delays shall be resolved through the dispute resolution procedure specified in clause 13 of the General Terms and Conditions of the Agreement. Pending the resolution of the dispute both parties shall continue to work to resolve the causes of, and mitigate the effects of, the Delay.
- 6.6 Correction Plan
  - 6.6.1 The Contractor shall submit a draft Correction Plan where:

- 6.6.1.1 It becomes aware that it will not achieve a milestone or Deliverable by the milestone or delivery date specified in the task order; or
- 6.6.1.2 It has failed to achieve a milestone or Deliverable by its milestone or delivery date, whether that failure arises because of:
  - 6.6.1.2.1 A failure to submit any or all Deliverables in respect of that milestone;
  - 6.6.1.2.2 The failure of the milestone successfully to complete or achieve any test or quality review; or
  - 6.6.1.2.3 Where there are no tests or quality reviews in respect of the relevant milestone or delivery date, any non-conformance in respect of that milestone or Deliverable.
- 6.6.2 The draft Correction Plan shall identify the issues arising out of the delay and the steps that the Contractor proposes to take to achieve the milestone or Deliverable in accordance with the task order.
- 6.6.3 The draft Correction Plan shall be submitted to the Organization for its approval as soon as possible and in any event not later than 10 days (or such other period as the Organization may permit and notify to the Contractor in writing) after the initial notification under clause 6.1 or the issuance of a non-conformance report.
- 6.7 The Organization shall not withhold its approval of a draft Correction Plan unreasonably. If the Organization does not approve the draft Correction Plan it shall inform the Contractor of its reasons and the Contractor shall take those reasons into account in the preparation of a further draft Correction Plan, which shall be resubmitted to the Organization within 5 working days of the rejection of the first draft.
- 6.8 The Contractor shall comply with its Correction Plan following its approval by the Organization.

## **7 DELAYS DUE TO CONTRACTOR'S DEFAULT**

- 7.1 If a Deliverable does not meet the Acceptance Criteria or a milestone or required delivery date is not achieved due to a Contractor Default, the Organization shall issue a Non-conformance Report to the Contractor categorising the issues as described in the Quality Plan or applicable task order quality procedures or setting out in detail the non-conformities of the Deliverable where no formal review has taken place, including any other reasons for the relevant milestone not being achieved and the consequential impact on any other milestones and delivery dates. The Organization will then have the options set out below.
- 7.2 The Organization may at its own discretion (without waiving any rights in relation to the other options provided in the Agreement) choose to:
  - 7.2.1 Issue a provisional acceptance certificate conditional on the remediation of the issues, or the non-conformities of the Deliverable where no formal review or testing has taken place, in accordance with an agreed Correction Plan; and/or
  - 7.2.2 Require the payment of liquidated damages, which shall be payable by the Contractor on demand, where the task order specified that liquidated damages, in accordance with clause 11 (Liquidated Damages), are payable in respect of the relevant milestone or Deliverable. The liquidated damages will accrue on a daily basis from the relevant milestone date or required delivery date and will continue to accrue until the date when

the milestone is achieved or the acceptance of the Deliverable becomes final in accordance with the Correction Plan.

- 7.3 Where the task order and clause 11 (Liquidated Damages) does not establish the payment of liquidated damages in respect of a milestone or Deliverables the Organization reserves its rights. Otherwise liquidated damages are provided as the primary remedy for the Contractor's failure to achieve the relevant milestone date or Deliverable required delivery date and it shall be the Organization's exclusive financial remedy except where:
- 7.3.1 The Organization is otherwise entitled to or does terminate the delinquent task order or this Contract for the Contractor's Default or for force majeure;
- 7.3.2 The failure
- 7.3.3 to achieve the milestone or Deliverable exceeds a period of 4 months after the relevant milestone or delivery date; or
- 7.3.4 Where the failure to achieve the milestone or the accumulation of non-conformance issues with respect to Deliverables constitutes a substantial breach of the task order or the Agreement.
- 7.4 Where the Organization issues a provisional acceptance certificate as specified in clause 7.2.1 above, it can choose (but does not have to) to revise the failed milestone date and any subsequent milestone date or required delivery dates.
- 7.5 Any Correction Plan shall be agreed before the issue of a provisional acceptance certificate unless the Organization is willing to agree otherwise. In the latter case the Contractor shall submit a Correction Plan for approval by the Organization within 10 working days of receipt of the non-conformance report.

## **8 DELAYS DUE TO ORGANISATION'S CAUSE**

- 8.1 Without prejudice to clause 6.3 and subject to clause 6.4, if the Contractor would have been able to achieve the milestone or Deliverable by its required date but has failed to do so as a result of an Organization's Cause the Contractor will have the rights and relief set out in this clause.
- 8.2 The Contractor shall:
- 8.2.1 Subject to clause 8.3, be allowed an extension of time equal to the Delay caused by that Organization's Cause;
- 8.2.2 Not be in breach of the task order or this Agreement as a result of the failure to achieve the relevant milestone or Deliverable by its required Date;
- 8.2.3 Have no liability for Liquidated Damages (if applicable) in respect of the relevant milestone or Deliverable to the extent that the Delay results directly and exclusively from the Organization's Cause; and
- 8.2.4 Be entitled to compensation as set out in clause 8.4 below.
- 8.3 The Organization shall:

- 8.3.1 Consider the duration of the Delay, the nature of the Organization's Cause and the effect of the Delay and the Organization's Cause on the Contractor's ability to comply with the Implementation Plan;
- 8.3.2 Consult with the Contractor in determining the effect of the Delay;
- 8.3.3 Fix a revised milestone or Deliverable required date; and
- 8.3.4 If appropriate, make any consequential revision to subsequent required delivery dates in the task order.
- 8.4 If the Contractor has incurred any direct loss and/or expense as a result of a Delay due to an Organization's Cause, the Contractor shall be entitled to compensation to the extent that it cannot mitigate that loss or expense in accordance with the principles set out in the Agreement. The Contractor must request such compensation through the Claim submission procedure specified in clause 8 of the General Terms and Conditions of the Agreement.
- 8.5 Any Change that is required to the task order plan pursuant to clause 8.3 or the charges pursuant to clause 8.4 shall be implemented in accordance with the established Change Control Procedure. If the Contractor's analysis of the effect of the Delay in accordance with clause 6.2 permits a number of options, then the Organization shall have the right to select which option shall apply.
- 8.6 The Organization shall not delay unreasonably when considering and determining the effect of a Delay under this clause 8 or in agreeing a Change pursuant to the Change Control Procedure.
- 8.7 The Contractor shall [and shall procure that each Subcontractor shall] take and continue to take all reasonable steps to eliminate or mitigate any losses and/or expenses that it incurs as a result of an Organization's Cause.
- 8.8 This clause will not apply to Delays caused by Stop Work Orders issued by the Organization under the terms of clause 7 of the General Terms and Conditions of the Agreement.

## **9 DELAYS NOT DUE TO ONE PARTY**

- 9.1 Without prejudice to clause 6.3 and subject to clause 6.4, where a Delay is attributable in part to the Contractor's Default and in part to an Organization's Cause the parties shall negotiate in good faith with a view to agreeing a fair and reasonable apportionment of responsibility for the Delay. The parties agree that Delay Payments shall be recoverable subject to reductions to reflect the extent to which the Organization has contributed to the Delay. If necessary, the parties may escalate the matter in accordance with the Dispute Resolution Procedure and if the matter cannot be resolved by agreement then with the agreement of both parties, the parties may refer the matter to an expert for determination. If no agreement can be reached the matter will be submitted to Arbitration as specified in clause 14 of the General Terms and Conditions of the Agreement.

## **10 PRICES AND PRICE ADJUSTMENT**

- 10.1 The unit prices specified in Section A of the Price Schedule will be firm and fixed for a period of one year from the effective date of the Agreement. After this time, the stated prices may be subject to a yearly adjustment. Such adjustment shall be calculated in

accordance with the terms and conditions of this clause and the adjusted prices shall be valid for a whole year without the possibility of further adjustments within that same year.

10.2 The adjustment shall be based on the evolution of the “EU Harmonised Index of Consumer Prices (HICP) for “All Items” for the 27 EU Countries established on a monthly basis by “Eurostat”.

10.3 The revised unit prices shall be obtained through the following formula:

$$P = P_o * (0.3 + 0.7 \text{ HICP/HICPo})$$

In which:

P: Revised unit price applicable to the considered item during the next year

Po: Effective price applicable to the same item in 2012 according to the Price Schedule

HICP: Value of the index HICP - “All Items” for the 27 EU Countries – Base 2005 (2005 = 100) registered in April prior to the revision.

HICPo: Value of the index HICP - “All Items” for the 27 EU Countries – Base 2005 (2005 = 100) registered in April 2012 = 118.54

10.4 The yearly increase in any unit price made under this clause shall not exceed 2 percent of the effective unit price before adjustment. There is no percentage limitation on the amount of decreases that may be made under this clause.

## 11 LIQUIDATED DAMAGES

11.1 Task orders may specify that if the Contractor fails to provide the services or Deliverables or to achieve established project milestones within the time specified in the task order, the Contractor shall, in place of actual damages, pay to the Organization liquidated damages in the amount specified in the task order for the relevant category of the delinquent milestone, service, or Deliverable per calendar day of delay. If more than one amount would be applicable at any given time during the performance of the task order, the maximum applicable amount of liquidated damages specified in the task order will be the amount to be paid by the Contractor.

11.2 If the Organization terminates the specific task order or this Agreement in whole or in part under the Termination for Default clause, the Contractor is liable for liquidated damages accruing until the Organization reasonably obtains delivery or performance of similar services or Deliverables to those required under delinquent task orders. These liquidated damages are in addition to excess costs of repurchase under the stated clause.

11.3 The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Termination for Default clause in this Agreement.

## 12 PAYMENTS

12.1 Unless provided otherwise herein, the Organization shall pay all undisputed amounts due under this Agreement within thirty (30) days of receipt of the invoice. The making of any payment or payments by the Organization, or the receipt thereof by the Contractor, shall not imply acceptance by the Organization of such items or the waiver of any warranties or requirements of this Agreement or task orders issued under the Agreement.

- 12.2 As part of the task order preparation and award process described in clause 3 above, the Contractor may propose specific payment schedules for the execution of work or deliveries called under this Contract through task orders. However, such payment schedules will not be valid unless included in the task order approved by the Organization. In proposing such payment schedules, the Contractor shall make sure that payment milestones are aligned with test and acceptance milestones.
- 12.3 Payments will be made in the currency specified in the Agreement.

### **13 NATO PROJECT MANAGER AND TECHNICAL REPRESENTATIVE**

- 13.1 For its direct official control and coordination requirements, the Organization may designate in task orders specific individuals as the staff elements that will have authority to coordinate, monitor, and control Contractor's performance under the Agreement.
- 13.2 The Organization may designate other staff elements as technical focal points for the execution of specific tasks. Their designation and contact details will be stated in the corresponding task order.
- 13.3 The Organization's focal points stated above have no authority to change the terms and conditions of the Agreement, task orders, or to place orders under the Agreement.
- 13.4 If the Contractor has a reason to believe that a purported representative of the Organization is requiring effort based on terms inconsistent with those specified in the task order or the Agreement, the Contractor shall immediately inform the Organization's Procurement Service for ratification of the actions. Failure to obtain confirmation that the actions of Organization's employees, agents or representatives are under the authority of the Agreement shall render any subsequent claim null and void.
- 13.5 Upon receipt of such notification above, the Organization's Procurement Service will 1) confirm the effort requested is within scope, 2) confirm that the instructions received constitute a change and request a proposal for a modification of scope and/or price or 3) rescind the instructions.

### **14 TASK ORDER CHANGES**

- 14.1 Task orders will be subject to the specific Change Control procedures established by the Organization's Project Manager designated in each task order. The stated procedures will normally specify that project changes must be authorized by a NATO Project Board or a designated Change Authority.
- 14.2 Project changes that affect any of the terms and conditions of the Agreement or the task order will not be legally binding on the Parties unless documented through a formal bilateral contract or task order modification or through the change order procedure established in clause 6 (Change Orders) of the General Terms and Conditions of the Agreement. Any changes which are implemented by the Contractor without the prerequisite contract or task order modification or change order will be at the Contractor's own expense and risk.

### **15 CONTRACTOR'S EMPLOYEES**

- 15.1 The Contractor shall provide and pay, as required, qualified personnel as needed for the proper performance of the services required under this Agreement; it shall strictly comply

with all Host Nation Labor Laws, tariffs and social security and other regulations applicable to the employment of its personnel.

- 15.2 The Organization shall not be responsible for securing work permits, lodging, leases nor tax declarations, driving permits, etc., with national or local authorities. Contractor's employees, agents, or representatives are not eligible for any diplomatic privileges or NATO employee benefits.
- 15.3 The Contractor shall inform its employees, agents, and representatives under this Agreement of the terms of the Agreement and the conditions of the working environment.

## **16 INDEPENDENT CONTRACTOR**

- 16.1 The Contractor's status shall be that of an independent Contractor and it is expressly understood that neither the Contractor (nor its personnel) nor Subcontractors shall be considered in any respect as being employees, servants or agents of the Organization.
- 16.2 The Contractor warrants that he and his Subcontractors are duly authorized to operate and do business; that he and his Subcontractors have obtained or will obtain all necessary licenses and permits required in connection with the Agreement; that the Contractor and its Subcontractors are responsible for ascertaining and complying with all the national and local laws, decrees, labor standards and regulations, including any NATO regulations, during the performance of this Agreement; and that no Claim for additional monies with respect to any authorizations to perform will be made upon the Organization.

## **17 KEY PERSONNEL**

- 17.1 Contractor's employees or agents specifically identified in the Contractor's Proposal or in task orders issued under the Agreement as Key Personnel will be considered as Key Personnel for the performance of the Agreement. Without prejudice to other applicable stipulations of the Agreement or task orders issued under the Agreement, Key Personnel shall be subject to the terms and conditions specified below.
- 17.2 A Key Personnel assigned to this Agreement shall remain working on the Agreement for as long as required by the terms of the present Agreement or task orders.
- 17.3 The Contractor shall guarantee that suitable backup personnel will be available to promptly remedy situations of Key Personnel non-availability that may endanger the performance of services or deliverables set in the Agreement.
- 17.4 The Organization reserves the right to reject a Contractor's staff member after prior acceptance if the Organization determines during Agreement performance that the individual is not providing the required level of support. The Organization will inform the Contractor in writing in case such a decision is taken, and the Contractor shall propose a replacement within thirty (30) working days after the Organization's written notification.
- 17.5 The Organization shall approve any replacement or additional Key Personnel according to the following procedure:
- 17.5.1 The Contractor shall provide the name(s) and qualifications statement(s) of a nominee(s) for review by the Organization at least 30 days before the intended date of replacement or the date when the nominee(s) is/are required to start work under the

Agreement. If the Organization accepts the nominations, this acceptance will be notified in writing to the Contractor, who will be authorized to assign the nominated personnel to the Agreement on the date(s) established in the stated notification.

- 17.5.2 If the Organization considers a nominee or nominees to be inappropriate for the required services, the Contractor will be so notified and shall have not more than twenty (20) days to submit alternate nominees.
- 17.6 If the Contractor fails to provide in due time a compliant candidate, the Organization may terminate this Agreement or task orders issued under the Agreement for default, and in that event the Contractor shall be liable, in addition to the excess costs of re-procurement, for any damages accruing until such time as the Organization may reasonably obtain delivery or performance of similar services.
- 17.7 The delay stated above shall be counted from the day the Organization notifies the Contractor, in accordance with paragraph 17.4 above, that the alternate nominees are considered to be non-compliant or inappropriate for the required services according to the requirements of the Agreement.

## 18 SUBCONTRACTORS

- 18.1 The Contractor has placed or intends to place the subcontracts stated the Contractor's Proposal for the purpose of carrying out work pursuant to this Agreement.
- 18.2 The Contractor is solely responsible for the administration and performance of, any subcontractor(s) including the terms and conditions which the Contractor deems necessary to meet the requirements of this Agreement in full.
- 18.3 The Contractor is not authorized to place sub-contracts outside the NATO member Nations.
- 18.4 The Contractor must not subcontract for the entire duration of the Agreement:
- 18.4.1 More than 40% of the staffing resources or labor hours/work required for the successful completion of the Agreement. This restriction applies to the whole Agreement and not to individual task orders for which the stated percentage may be exceeded.
- 18.4.2 More than 20 % of the staffing resources or labor hours/work required for the satisfactory execution of work within each Contractor's Core Consulting Domain identified in the Contractor's Proposal.
- 18.5 The subcontracting restrictions specified in paragraphs 18.4.1 and 18.4.2 above do not apply to subcontracting to entities or divisions that are part of the same holding entity, company (e.g. local subsidiaries or local partnerships) or network of companies.
- 18.6 The Contractor must determine that any subcontractor, proposed by the Contractor for the furnishing of products or services which will involve access to classified information in the Contractor's custody, has been granted an appropriate facility security clearance by the subcontractor's national authorities, which is still in effect, prior to being given access to such classified information.
- 18.7 The Contractor shall seek the approval in writing of the Organization prior to the placing of any subcontract if the subcontract was not identified in the Contractor's Proposal.

- 18.8 The Contractor shall submit a copy of any such proposed Sub-contract when seeking approval to the NATO Procurement Service, if the total value of the Subcontract exceeds EUR 39,000.
- 18.9 The Organization's approval of a proposed subcontract shall in no way relieve the Contractor of its responsibilities to fully achieve the contractual and technical requirements of this Agreement.

## **19 TANGIBLE PRODUCTS: OWNERSHIP, TITLE, AND RISK OF LOSS**

- 19.1 Unless otherwise provided in the Agreement, ownership and title to all tangible products delivered under this Agreement will pass to the Organization only upon written acceptance by the Organization. Where the Agreement or purchase orders issued under the Agreement provide for provisional Acceptance and final Acceptance, ownership and title will pass to the Organization upon written notification of final Acceptance.
- 19.2 In such case as the stated products have been delivered by the Contractor and offered for inspection and the Organization has either not made inspection or failed to provide written Acceptance or rejection of the goods within thirty (30) days of delivery, the products will be determined to have been accepted by the Organization.
- 19.3 Risk of loss or damage to products covered by this Agreement shall remain with the Contractor until, and shall pass to the Organization upon Acceptance by the Organization, or receipt of the supplies or products by the Organization at the destination specified in the Agreement or purchase orders, whichever is later.
- 19.4 Notwithstanding paragraph 19.3 above, the risk of loss or damage to supplies which fail to conform to the requirements of the Agreement shall remain with the Contractor until cure and Acceptance, at which time 19.3 above shall apply.
- 19.5 Notwithstanding paragraph 19.3 above the Contractor shall not be liable for the loss of or damage to supplies caused by the negligence of officers, agents or employees of the Organization acting within the scope of their employment.
- 19.6 Ownership and title to Intellectual Property delivered under the Agreement shall be governed by other provisions of the Agreement and more particularly by the provisions of clause 20 below.

## **20 INTELLECTUAL PROPERTY RIGHTS**

- 20.1 Task orders may include additional terms and conditions to adapt the generic IPR regime specified in clause 10 of the General Terms and Conditions to the particular circumstances and objectives of each task order.

## **21 CONFIDENTIALITY**

- 21.1 For the purposes of this clause "Confidential Information" shall mean, with respect to a Party hereto, all information or material which is either marked as confidential information (e.g., "Unclassified – Commercial" or other similar marking) or known by the Parties to be considered confidential and proprietary.
- 21.2 Neither Party shall have any obligation with respect to confidential information which: (i) is known or used by the receiving Party prior to disclosure by the disclosing Party; (ii)

either before or after the date of the disclosure by the disclosing Party is disclosed to the receiving party by a third party under no obligation of confidentiality to the disclosing Party; (iii) either before or after the date of the disclosure to the receiving Party becomes published or generally known to the public through no fault of the receiving Party; (iv) is independently developed by the receiving Party; (v) is required to be disclosed by a final order of a court of competent jurisdiction; or (vi) is otherwise required to be disclosed by applicable law following reasonable notice to the disclosing Party. Nothing in this clause shall be construed as undermining or waiving the Organization's immunity from any laws, regulation, and legal processes that may be applicable.

21.3 Without prejudice to other obligations imposed by NATO Security Regulations, the Parties agree to hold each other's Confidential Information in strict confidence. The parties agree not to make each other's Confidential Information available in any form to any third party or to use each other's Confidential Information for any purpose other than as specified in this Agreement. Each Party agrees to take all reasonable steps to ensure that Confidential Information of either Party is not disclosed or distributed by its employees, agents or consultants in violation of the provisions of this Agreement. Each Party's Confidential Information shall remain the sole and exclusive property of that Party. Each Party acknowledges that any use or disclosure of the other Party's Confidential Information other than as specifically provided for in this Agreement may result in irreparable injury and damage to the non-using or non-disclosing Party. Accordingly, each party hereby agrees that, in the event of use or disclosure by the other Party other than as specifically provided for in this Agreement, the Party whose Confidential Information has been disclosed without authorization may be entitled to equitable relief as granted by an arbitration court established in accordance with the clause entitled "Arbitration" of Part III (General Terms and Conditions) of the RFP.

21.4 The provisions of this clause and the associated Parties' duties shall survive the termination of this Agreement and remain in effect until the disclosing Party sends the receiving Party written notice releasing the receiving Party from the obligations imposed by this clause, or for a further period of three (3) years after Agreement close-out, whichever occurs first, and without prejudice to other obligations imposed by applicable NATO Security Regulations.

## **22 EXCLUSION AND CONFLICTS OF INTEREST**

### 22.1 Scope

22.1.1 The restrictions described herein shall apply to performance or participation by the Contractor and any of its affiliates or their successors in interest (hereinafter collectively referred to as "Contractor") in the activities covered by this clause as a prime Contractor, Subcontractor, agent, representative, or in any similar capacity. For the purpose of this clause, affiliation occurs when a business concern is controlled by or has the power to control another or when a third party has the power to control both.

### 22.2 Definitions

22.2.1 "Conflict of Interest" or "COI" shall include any of the following situations:

22.2.1.1 The Contractor is unable, or potentially unable, to render impartial assistance or advice to the Organization, or the person's objectivity in performing the Agreement work is or might be otherwise impaired, because of other activities or relationships with other persons or organisations.

22.2.1.2 A person or organisation, whether the Contractor or a Subcontractor at any tier, has an unfair competitive advantage as a result of the access to Confidential Information.

22.2.2 “Independent Verification and Validation” shall refer to processes independently performed by the Contractor in order to determine whether development products of a given activity conform to the requirements of that activity, and whether contract deliverables of NATO projects satisfy their intended use and user needs.

### 22.3 Generic Contracting Exclusion

22.3.1 In order to effectively avoid actual or apparent Conflicts of Interest, the Contractor shall be ineligible to participate, in any capacity, in contracts, subcontracts, and solicitations of offers for NATO projects or services that are subject, or will be subject, to Independent Verification and Validation (IV&V) by the Contractor.

### 22.4 Duty of Disclosure

22.4.1 The Contractor warrants that, to the best of the Contractor’s knowledge and belief, there are no relevant facts or circumstances which could give rise to an organisational or personal Conflict of Interest, or that the Contractor has disclosed all such relevant information as part of the COI Mitigation Plan as incorporated in this Agreement.

22.4.2 The Contractor agrees that if an actual or potential Conflict of Interest is discovered after award, the Contractor will make a full disclosure in writing to the Organization. This disclosure shall include a description of actions which the Contractor has taken or proposes to take, after consultation with the Organization, to avoid, mitigate, or neutralize the actual or potential conflict.

22.4.3 If the Contractor was aware of a potential Conflict of Interest prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Organization, the Organization may terminate the Agreement and task orders issued under the Agreement for default, in whole or in part, and pursue such other remedies as may be permitted by law or this Agreement.

### 22.5 Additional Remedies

22.5.1 Without prejudice to the restrictions and remedies specified in the clauses stated above, the Organization reserves the unilateral right to prescribe additional limitations on contracting for future requirements related to the NATO reform implementation projects as the means of avoiding, neutralizing, or mitigating Conflicts of Interest that might otherwise exist.

22.5.2 The decision to impose the contracting limitations stated in clause 22.5.1 above shall be adopted in consultation with the Contractor and after evaluation of the measures proposed by the Contractor in order to avoid, mitigate, or neutralize the actual or potential conflict. Additionally, such a decision shall be subject to the final approval of the Organization’s Contracts Award Committee.

### 22.6 Duration

22.6.1 The provisions of this clause 22 and the associated Contractor’s duties shall survive the termination of this Agreement and remain in effect until the Organization sends the Contractor written notice releasing the Contractor from the obligations imposed by this

clause, or for a further period of one (1) year after Agreement close-out, whichever occurs first.

## 22.7 Waiver

22.7.1 Requests for waiver under this clause shall be directed in writing to the contracting Authority and shall include a full description of the requested waiver and the reasons in support thereof. If it is determined to be in the best interests of the Organization, the Procurement Officer may grant such a waiver in writing.

22.7.2 As in the case of the contracting restrictions specified in paragraph 22.5 above, the concession of waivers under this clause shall also be subject to the final approval of the Organization's Contracts Award Committee.

## 22.8 Flow-down

22.8.1 The Contractor shall include the substance of the language of this clause in any subcontract/contract issued for the purpose of the fulfillment of the obligations contracted under this Agreement regardless of the legal nature of the entity subscribing such subcontract.

## 23 WARRANTIES AND REPRESENTATIONS

23.1 The Contractor warrants, represents, and undertakes that there are no actions, suits or proceedings or regulatory investigations pending or, to the Contractor's knowledge, threatened against or affecting the Contractor before any court or administrative body or arbitration tribunal that might affect the Contractor's ability to meet and carry out its obligations under this Agreement.

23.2 The Contractor warrants, represents, and undertakes for the duration of the Agreement that:

23.2.1 All personnel involved in the performance of the Agreement will be vetted in accordance with and shall meet the standards of good industry practice;

23.2.2 It has and will continue to hold all necessary (if any) regulatory approvals from the Regulatory Bodies necessary to perform the Contractor's obligations under this Agreement;

23.2.3 It has and will continue to have the Background IPR required for the performance of this Agreement as further detailed in the Contractor's Proposal or task order proposals.

23.3 The Contractor warrants that any custom programs provided under the Agreement will be free from material reproducible programming errors and defects in workmanship and materials, and perform substantially in accordance with the requirements of this Agreement or relevant task orders, and, solely to the extent not inconsistent, the relevant design documentation.

23.4 The Contractor shall use commercially reasonable measures to screen custom programs to avoid introducing any virus or other destructive programming that are designed (a) to permit unauthorized access by third parties to the software installed on the Organization's systems, or (b) to disable or damage the Organization's systems. The Contractor warrants that the stated custom programs will not contain any code or other device that would have the effect of disabling or otherwise shutting down all or any portion of the software. If any such code or device exists in the software, the Contractor

shall not invoke such code or other device at any time, including upon expiration or termination of the Agreement for any reason.

- 23.5 The Contractor warrants that all services provided to the Organization under this Agreement will be performed in a workmanlike manner.
- 23.6 The Contractor will not be liable when a defect has been caused from a willful damage, incompatible changes or gross negligence originated by the Organization or its employees, but the burden of proof of that damage will be on the Contractor.
- 23.7 The Contractor shall take any necessary measure to protect the life and health of persons working or visiting the work area occupied by the Contractor. These measures include compliance with the local health and safety provisions.
- 23.8 In the performance of all work under this Agreement, it shall be the Contractor's responsibility to ascertain and comply with all applicable NATO security regulations as implemented by the local Headquarters' Security Officer.
- 23.9 Task orders may include additional terms and conditions to adapt the warranties specified in this clause to the specific requirements and characteristics of each task order.

## **24 WARRANTY PERIOD**

- 24.1 The Warranty Period for any delivered services and products performed under this Agreement shall be the longer of: (a) the specific warranty periods established in task orders for individual Deliverables; or (b) twelve months. The Warranty Period in all cases must commence upon Acceptance.
- 24.2 Throughout the Warranty Period the Contractor shall make good any:
- 24.2.1 Defects in the Deliverables; and
- 24.2.2 Breach of any other express or implied warranties that may be applicable;
- arising out of or in connection with the Contractor's failure to perform its obligations under this Agreement (herein after collectively referred to as "Warranty Period Incidents") in accordance with this clause.
- 24.3 The Contractor shall correct all Warranty Period Incidents arising during the Warranty Period without cost to the Organization.
- 24.4 If the Contractor fails to correct any Warranty Period Incidents within the timeframe specified in the relevant task order or in the Contractor's Proposal for the type of incident concerned, or if no specific timeframe has been established for the type of incident concerned, within 30 working days of notification, the Organization may on 10 working days written notice:
- 24.4.1 Correct the Warranty Period Incident or employ a third party to correct it; and
- 24.4.2 Deduct from the prices to be paid, draw from the performance guarantee, or recover as a debt due from the Contractor, all reasonable costs in so doing.
- 24.5 The Contractor shall deploy all such additional resources as are reasonably required to remedy any Warranty Period Incident as efficiently and quickly as possible.

## 25 IPR INDEMNIFICATION

- 25.1 Except as otherwise provided in this Agreement, the Contractor shall assume all liability against any and all third party claims that the services or Deliverables infringe(s) or the use an intellectual property right (including, without limitation, patents, patent applications, trade secrets, designs, models, copyrights, rights on software, rights on database, topography rights, trademarks and/or any other registered or unregistered intellectual property rights) in force in any countries, arising out of the manufacture, import, export, performance of the services or Deliverables and/or out of the use or disposal by, or for the account of, the Organization of such services and Deliverables. The Contractor shall reimburse and/or indemnify the Organization, its officers, agents, employees and/or consultants for (i) all costs, fees, damages, awards, judgments, settlement amounts and any other expenses awarded to the third party right holder against the Organization and/or the final beneficiaries of the services or Deliverables in relation to said third party claim; and (ii) for the costs and expenses incurred by the Organization 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 Agreement and for making all other arrangements required to indemnify the Organization from any liability for intellectual property right infringement in said countries.
- 25.2 The Contractor shall immediately notify the Organization of any patent or copyright infringement claims of which the Contractor has knowledge and which pertain to the services and Deliverables under this Agreement.
- 25.3 This indemnity shall not apply under the following circumstances:
- 25.3.1 Patents or copyright which may be withheld from issue by order of the applicable government whether due to security regulations or otherwise;
- 25.3.2 An infringement resulting from specific written instructions from the Organization under this Agreement;
- 25.3.3 An infringement resulting from changes or additions to the services and Deliverables subsequent to final delivery and Acceptance under this Agreement.

## 26 LIMITATION OF LIABILITY

- 26.1 Nothing in this Agreement shall exclude or in any way limit each Party's liability for: (i) personal injury or death to the extent it results from the negligence of the other Party, its personnel or subcontractors; and (ii) wilful misconduct, fraud and gross negligence.
- 26.2 Except for the Parties' express warranty and indemnity obligations and insured claims, the total liability of either Party to the other Party for all damages, losses, and causes of action (whether in contract, tort – including negligence - or otherwise) shall not exceed the greater of (1) three times the aggregate fees paid hereunder or (2) EUR 10,000,000.
- 26.3 The limitations provided in this clause shall apply even if any other remedies fail of their essential purpose.

## 27 INSURANCE

- 27.1 The Contractor agrees to procure and maintain, without any cost to the Organization, any workmen's compensation, employees' liability or other type of insurance required by mandatory labour and social security law.
- 27.2 The Contractor agrees to procure and maintain, without any cost to the Organization, a suitable civil liability insurance to cover, on the one hand, damage which could be caused to NATO's premises, and on the other hand, injury to persons (e.g., by the use of tools or equipment). This insurance will be submitted to the Procurement Officer for verification of adequacy.

## 28 PERFORMANCE GUARANTEE

- 28.1 As a guarantee of performance under the Agreement, task orders may establish the obligation for the Contractor to deposit with the Organization within thirty (30) calendar days from the effective date of the task order, a bank guarantee up to the value of ten per cent (10%) of the total price of the task order;
- 28.2 The guarantee (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 task order, shall be made payable to the Organization and may be in the form of:
- 28.2.1 a certified cheque;
- 28.2.2 an irrevocable letter of credit; or
- 28.2.3 a bank guarantee such as a performance bond or promissory note;
- and subject to the agreement of the Organization. The payment of the Performance Guarantee shall be made to the Organization without question and upon first demand by the Organization against a certificate from the Organization's Head of Procurement that the Contractor has not fulfilled its obligations under the Agreement. The Contractor shall have no right to enjoin or delay such payment.
- 28.3 Certified Cheques issued to fulfil the requirements of the Performance Guarantee will be cashed by the Organization upon receipt and held in the Organization's account until the term of the Performance Guarantee has expired.
- 28.4 The irrevocable letter of credit, performance bond or promissory note shall be subject to Belgian Law and financial practices and shall be issued by a Belgian bank or a Belgian affiliate of a non-Belgian bank licensed to operate in Belgium, unless otherwise specified by the Organization.
- 28.5 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 task orders and, where appropriate, such relief will be granted by the Organization.
- 28.6 The Contractor shall be responsible, as a result of duly authorised adjustments in the total task order price and/or period of performance by the Organization, 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 task order price (including all amendments), and for depositing such Performance Guarantee with the Organization, within thirty (30) calendar days from the effective date of aforesaid duly authorized adjustment.

- 28.7 The failure of the Contractor to deposit such Performance Guarantee with the Organization within the specified time frame, or any extension thereto granted by the Organization's Contracting Authority, is a material breach of the Agreement subject to the Termination For Default clause.
- 28.8 The rights and remedies provided to the Organization under this clause are in addition to any other rights and remedies provided by law or under this Agreement. The certificate described in clause 28.2 above shall not be regarded as a Termination for Default and this clause is in addition to and separate from the clause 19 of the General Terms and Conditions of the Agreement.

## **29 NATO FURNISHED PROPERTY AND SERVICES**

- 29.1 The Organization shall deliver to the Contractor, for use only in connection with this Agreement, the Organization Furnished Property at the times and locations stated in the Agreement. In the event that Organization Furnished Property is not delivered by such time or times stated in the Agreement, or if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates the Organization shall, upon timely written request made by the Contractor, and if the facts warrant such action, equitably adjust any affected provision of this Agreement pursuant to the procedures established in other terms of the Agreement with respect to Delays due to an Organization's Cause.
- 29.2 In the event that Organization Furnished Property is received by the Contractor in a condition not suitable for its intended use, the Contractor shall immediately notify the Organization. The Organization shall within a reasonable time of receipt of such notice replace, re-issue, authorize repair or otherwise issue instructions for the disposal of Organization Furnished Property agreed to be unsuitable. The Organization shall, upon timely written request of the Contractor, equitably adjust any affected provision of this Agreement pursuant to other terms of the Agreement.
- 29.3 Title to Organization Furnished Property will remain in the Organization. The Contractor shall maintain adequate property control records of Organization Furnished Property in accordance with sound industrial practice.
- 29.4 Unless otherwise provided in this Agreement, the Contractor, upon delivery of any Organization 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 Organization Furnished Property is consumed in the performance of this Agreement.
- 29.5 The Contractor shall not modify any Organization Furnished Property unless specifically authorized by the Organization or directed by the terms of the Agreement.

## **30 SECURITY**

### **30.1 General**

- 30.1.1 The Contractor shall designate a Security Officer who shall function as the point of contact between the Contractor and the Organization for all security related matters. He/she is responsible for the correct behavior of the Contractor personnel regarding the compliance with applicable security requirements at the NATO sites where work or services will be performed, and shall ensure that all the involved Contractor personnel (including subcontractors) have sufficient knowledge about the security rules to follow.

He/she shall be able to reach the site quickly in case of an incident. He/she shall report security/safety hazards, threats and/or incidents immediately to the Headquarters Security Officer (HQSO).

30.1.2 Delays caused by not respecting the security rules may not be invoked by the Contractor to justify delays in the execution of the Agreement or price increases.

### 30.2 Contractor's Personnel

30.2.1 The Contractor and its Subcontractors must comply with the following requirements while performing work on NATO sites and as required by the terms and conditions specified in each task order:

- 30.2.1.1 Employ only nationals of NATO member countries at the NATO Headquarters and at other NATO sites where work must be performed;
- 30.2.1.2 Have every member of the team involved in the execution of specific task orders sign an Acknowledgement of Responsibility, a copy of which can be obtained upon request;
- 30.2.1.3 At least 15 working days before the start of work, provide the designated NATO Project Manager with full personal particulars of the workforce to be employed to carry out the works, together with the registration numbers of vehicles that must have access to the site and a list of the equipment and machinery to be used;
- 30.2.1.4 Notify the NATO Project Manager at least 4 working days in advance of any proposed changes in the team(s) working on the NATO site;
- 30.2.1.5 Use for each task order only staff approved by the NATO Project Manager and the NATO HQ Security Officer, who are not required to justify their decisions;
- 30.2.1.6 Immediately terminate the employment at the NATO site of any member of the Contractor's workforce whose presence is regarded as undesirable by NATO, without the latter being required to give the grounds for its request; moreover, NATO shall in no circumstances be held liable for the consequences of such a decision;
- 30.2.1.7 Ensure that members of the Contractor's workforce are informed that they and their vehicles may be searched on entering or leaving NATO sites;
- 30.2.1.8 Nominate a team leader who shall always be present on the work-site to liaise with the NATO Project Manager on all administrative and technical matters and with the Security Service for matters in its field of responsibility;
- 30.2.1.9 Take all the necessary precautions to protect persons and property against all risks arising from his works, in accordance with host nation mandatory law, and indemnify NATO against any action which might be initiated as a result of these works.

### 30.3 Access to NATO Headquarters

30.3.1 All access to the work-site shall be via the designated entrance. The Contractor and its personnel shall comply with the instructions given by the NATO Project Manager or the Security Service. The Contractor and its workforce may only move about within the limits and along the roads specified by NATO. Work on the Agreement and movement

around the NATO site shall be under the surveillance of one or more members of NATO's Security Service or NATO's designated staff.

#### 30.4 Work at NATO Headquarters

30.4.1 The Contractor's personnel shall strictly follow the instructions from NATO officials regarding entrance to, and work at the site and stay within the indicated perimeter. Supervision will be carried out by NATO security officials.

30.4.2 Contractor's personnel may receive security passes, which MUST be worn visibly.

30.4.3 Every Contractor's staff member may be subjected to a personal search and a search of his/her vehicle, luggage and equipment while at the site.

30.4.4 It is strictly unauthorized to bring weapons, explosives or, dangerous materials into NATO HQ without the proper licenses and authorizations from the HQSO.

30.4.5 Portable computer equipment (laptops, PDAs, etc.) that is required for contractual work may be brought into the NATO HQ Administrative Zone. It might have to undergo security checks.

30.4.6 Portable computer equipment that is required for contractual work may be brought into restricted areas, but are subject to a written approval from the Headquarters Infosec Officer (HQIO). They may be authorized under the following conditions:

30.4.6.1 the equipment is absolutely necessary for the contractual work;

30.4.6.2 the equipment is not equipped with a camera;

30.4.6.3 all recording (e.g. voice) and transmission capabilities (e.g. Bluetooth, wireless technology e.g. IEEE 802.11x protocol, WiFi) have been switched off;

30.4.6.4 the equipment is not connected to NATO HQ networks;

30.4.6.5 the owner follows the instructions from HQ security officials;

30.4.6.6 the equipment may be subjected to security inspections.

30.4.6.7 Computer media (floppy disks, CD/DVDs, USB sticks, etc.) used by contractor personnel at NATO HQ shall be clearly marked. Contractor personnel shall not use NATO HQ media unless this has been officially allowed in the Agreement.

30.4.6.8 Contractor personnel access to the NATO HQ computer networks shall be evaluated and approved on a case-by-case basis and managed according to the NATO Security Policy and the need-to-know principle.

30.4.6.9 Personal GSMs and small personal radio/TV receivers and Walkmans/iPods are allowed into the Administrative Zone. They may not be used if they disturb in any way the activities of the NATO HQ Staff.

30.4.6.10 All other electronic equipment e.g. cameras, recording and transmission equipment, etc. are only allowed into the Administrative Zone if they are needed for the Agreement, not for personal use after agreement by the NATO Office of Security.

30.4.6.11 Cameras, recording devices (audio/video), GSMs equipped with a camera, radio transmitters, laptops or PDAs fitted with cameras are not allowed inside restricted Areas. Exceptions to this rule have to be granted by the NATO Office of Security. The equipment will have to be cleared and officially marked.

### 30.5 Additional Security Measures

30.5.1 Task orders may specify additional terms and conditions to adapt the generic security requirements specified in this clause to the specific requirements and characteristics of each task order.

**REQUEST FOR PROPOSAL**

**RFP – 2012/20**

**NORTH ATLANTIC TREATY ORGANISATION (NATO)**

**MANAGEMENT ADVISORY SERVICES (MAS)  
FRAMEWORK AGREEMENT**

**PART III – GENERAL TERMS AND CONDITIONS**

## **PART III – GENERAL TERMS AND CONDITIONS**

### **1 CONTRACT INTERPRETATION**

- 1.1 In this Contract, unless the context otherwise requires:
  - 1.1.1 The singular includes the plural and vice versa;
  - 1.1.2 Reference to a gender includes the other gender and the neuter;
  - 1.1.3 Any phrase introduced by the words "including", "includes", "in particular", "for example" or similar shall be construed as illustrative and without limitation to the generality of the related general words;
- 1.2 The headings in this Contract are for ease of reference only and shall not affect its interpretation;
- 1.3 References to clauses, sections, parts, and schedules are, unless otherwise provided, references to the clauses, sections, parts of and schedules to this Contract.

### **2 DEFINITIONS AND ACRONYMS**

- 2.1 As used throughout this Contract, the following terms and acronyms have the meanings specified below, unless otherwise specified in the Contract:
  - 2.1.1 "Acceptance": the action by which the Organization formally acknowledges that the Contractor has fully demonstrated that contract services and deliverables are complete or have been performed or delivered according to the requirements and acceptance criteria established in the Contract.
  - 2.1.2 "Affiliates of the Organization": any of the current and future entities included within the civilian or military structures of the North Atlantic Treaty Organization which are under the control of the North Atlantic Council, including without limitations the military commands and the agencies. The list of existing affiliates is available at <http://www.nato.int/cps/en/natolive/structure.htm>.
  - 2.1.3 "Claim": 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. A Claim arising under the Contract must clearly identify the Contract clause which provides for the relief sought by the claimant. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a Claim.
  - 2.1.4 "Days": calendar days;
  - 2.1.5 "Deliverables": the items, features or services to be delivered by the Contractor at a Milestone Date or at any other stage during the performance of this Contract as listed in the Contract schedules and as more particularly described in the SOW, requirements specification, product descriptions, Technical Solution, or any other relevant Contract document;
  - 2.1.6 "IPR": any intellectual property rights of any description irrespective of their stage of development or finalisation, including (but without prejudice to the generality of the foregoing) patents, registered trademarks and registered designs (and applications for

the same), unregistered trademarks, copyright which includes the protection of computer software (any code), design right, know-how, confidential information and rights in records (whether or not stored on computer) which includes technical and other data and documents.

- 2.1.7 "Contractor Background IPR": any IPR owned by the Contractor or licensed by a third party to the Contractor which is not created in the course of or as the result of work undertaken for any purpose contemplated by the contract, but which is needed for the performance of the Contract or for the exploitation of Foreground IPR.
- 2.1.8 "Third Party IPR": any IPR owned by a third party not being the Organization or the Contractor or its Subcontractors, which is needed for the performance of the Contract or for the exploitation of Foreground IPR. This term also includes any type of Open Source IPR.
- 2.1.9 "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 this contract.
- 2.1.10 "Background IPR": any IPR owned by the Organization, by the Contractor or its Subcontractors, or by a third party, which is not created in the course of or as the result of work undertaken for any purpose contemplated by the Contract, but which is needed for the performance of the Contract or for the exploitation of Foreground IPR.
- 2.1.11 "Organization": the North Atlantic Treaty Organization, legal entity signatory of the Contract and bound by the Contract terms and conditions.
- 2.1.12 "NATO Participating Country": any of the nations providing financial support to the project, namely, (in alphabetical order): Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, The United Kingdom, and The United States.
- 2.1.13 "NATO": the North Atlantic Treaty Organization.
- 2.1.14 "NATO HQ" shall refer to the Headquarters of the North Atlantic Treaty Organization.
- 2.1.15 "Conflict of Interest" or "COI": any of the following situations:
- 2.1.15.1 The Contractor is unable, or potentially unable, to render impartial assistance or advice to the Organization, or the Contractor's personnel objectivity in performing the Contract work is or might be otherwise impaired, because of other activities or relationships with other individuals or organisations.
- 2.1.15.2 A person or organisation, whether the Contractor or a Subcontractor at any tier, has an unfair competitive advantage as a result of the access to Confidential Information.
- 2.1.16 "Independent Verification and Validation": processes independently performed by the Contractor in order to determine whether development products of a given activity conform to the requirements of that activity, and whether contract deliverables of NATO projects satisfy their intended use and user needs.

- 2.1.17 “Subcontractor”: any supplier, distributor, vendor, or firm that furnishes supplies or services to or for the Contractor or another Subcontractor.

### **3 INCONSISTENCE BETWEEN ENGLISH VERSION AND TRANSLATION OF CONTRACT**

- 3.1 In the event of inconsistency between any terms of this Contract and any translation thereof into another language, the English language meaning shall prevail.

### **4 INSPECTION AND ACCEPTANCE**

- 4.1 All supplies and services may be subject to inspection and test by the Organization, or its authorized representatives 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.
- 4.2 Acceptance or rejection of the services or products shall be made as promptly as practicable after delivery, except as otherwise provided in this Contract, but failure to accept or reject services or products shall neither relieve the Contractor from conforming to the requirements of this Contract nor impose liability on the Organization thereof.
- 4.3 No representative appointed by the Organization 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 Procurement Service in writing through a formal Contract modification.
- 4.4 The presence or absence of an Organization's representative shall not relieve the Contractor from conforming to the requirements of this Contract.
- 4.5 Acceptance of supplies or services shall take place when the Organization confirms acceptance of the supplies or services in accordance with the procedure specified in the Contract, or if none is so specified then the Organization shall be deemed to have accepted the supplies or services without prejudice to any other remedies, when and as soon as any of the following events have occurred:
- 4.5.1 The Organization has taken the supplies or services into use;
- 4.5.2 The Organization has not exercised its right of rejection of the supplies or services within any period specified for that purpose in the Contract; or
- 4.5.3 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 supplies or services was effected in accordance with the Contract.
- 4.6 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.
- 4.7 If any inspection or test is made by the Organization'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 Organization's representatives in the performance of their duties. The Organization's representatives responsible for tests and inspections shall have the right of access to any area of the Contractor's or its Sub-contractor's premises where any part of the

contractual work is being performed. If 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 Organization except as otherwise stated in this Contract; provided that in case of rejection the Organization shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by the Organization shall be performed in such a manner as not to unduly delay the work. The Organization reserves the right to charge to the Contractor any additional cost of Organization inspection and test when products, works, or services are not ready at the time such inspection and test is due or when re-inspection or retest is necessitated by prior rejection.

- 4.8 In the event that any services are found to be unacceptable to the Organization or any products are defective in design, quality or are otherwise not in conformity with the requirements of this Contract, the Organization shall have the right either to reject them or to require their correction or replacement. Services or products which have 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 Organization, 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, correct or replace such services or products, the Organization may invoke any other remedies available in the Contract or implied by Law.
- 4.9 Where products, works, or services fail to meet contract requirements but such a failure is not material or fundamental, the Organization may, at its sole discretion, declare the Acceptance provisional. In this case, the Organization will make an assessment of the nature of the deficiencies and may pay the Contractor an amount commensurate with the importance of the stated deficiencies. This amount shall be between 50 % and 90 % of the total price of the deficient products, works, or services and this until all deficiencies have been cleared; at that time the Acceptance shall become final.

## 5 INVOICES

- 5.1 All numbered invoices, exclusively established in English or French, shall be addressed to NATO Headquarters, Office of Financial Control, Accounts Payable Section, in duplicate. Each invoice shall contain the following certificate: *“I certify that the above invoice is true and correct and the payment has not been received”*. The certificate must then be followed by the signature of a duly authorized company official. The invoice shall be dated and show the reference and give a description of the services delivered.
- 5.2 The Organization is fully exempt from Customs duties and VAT for all transactions which amount to EUR 123,95 or more, exclusive of VAT. For this purpose, all invoices must bear the words: « Exemption from TVA, Article 42 § 3 alinéa 1er, 4°, of the VAT Code. Decision ET 121.6000/A4/L10 dated 31 January 2012».

## 6 CHANGE ORDERS

- 6.1 The Organization 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, in any one or more of the following:
- 6.1.1 Specifications (including drawings and designs) when the products to be delivered are to be specially manufactured for the Organization in accordance with the specifications.

- 6.1.2 Method and manner of performance of the work, including engineering standards, quality assurance and configuration management procedures;
  - 6.1.3 Marking and method of shipment and packing;
  - 6.1.4 Place of delivery;
  - 6.1.5 Amount, availability and condition of Organization Furnished Property.
- 6.2 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 Organization 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 6.1 above unless this period is extended by the Organization.
- 6.3 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 Organization 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.
- 6.4 Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Organization shall have the right to prescribe the manner of disposal of such property.
- 6.5 Failure to agree to any requested adjustment shall be a dispute within the meaning of the clause of this Contract entitled "Dispute Resolution Procedure". However, nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.
- 6.6 No proposal for adjustment by the Contractor for an equitable adjustment shall be allowed if asserted after final payment and acceptance under this Contract.
- 6.7 Any other written or oral order (which, as used in this paragraph includes direction, instruction, interpretation, or determination) from the Organization that causes a change shall be treated as a Change Order under this clause, provided, that the Contractor gives the Organization written notice within thirty (30) days after receipt of such Change Order stating (i) the date, circumstances, and source of the order and (ii) that the Contractor regards the order as a Change Order, and that the Order is accepted in writing by the Organization as a Change Order. The timely written notice requirement, as detailed above, remains in force in all cases, even where, for example, the Organization has positive knowledge of the relevant facts.

## **7 STOP WORK ORDERS**

- 7.1 The Organization may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the Work called for under this Contract for a period of ninety (90) days after the order to stop is delivered to the Contractor, and for any further period to which the Parties may agree. Any such stop work order shall be specifically identified as a stop work order issued pursuant to this clause (the "Stop Work Order"). Upon receipt of such a Stop Work Order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimize 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 Organization shall either:

- 7.1.1 Cancel the Stop Work Order, or
  - 7.1.2 Terminate the Work covered by such order as provided in the "Termination for Default" clause of this Contract.
  - 7.1.3 Or issue a change order in accordance with the clause entitled "Change Orders" above.
- 7.2 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. 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:
- 7.2.1 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
  - 7.2.2 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 Organization decides the facts justify such action, he may receive and act upon any such claim asserted at any time prior to final payment under this Contract.
- 7.3 If a Stop Work Order is not cancelled and the Work covered by such Stop Work Order is terminated for the convenience of the Organization the reasonable costs resulting from the Stop Work Order shall be allowed in arriving at the termination settlement.

## **8 CLAIMS**

- 8.1 The Contractor shall assert Claims in writing and by registered mail. Claims must be specifically identified as such and submitted within:
  - 8.1.1 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 its Claim, the time limit will be sixty (60) calendar days from the date the Contractor has knowledge or should have had knowledge of the facts on which the Contractor bases its Claim; and
  - 8.1.2 Before final payment or before the release of the Performance Guarantee provided under the Contract, whichever occurs last. This will only apply to those Claims for which the Contractor could not have had earlier knowledge and which were not foreseeable.
- 8.2 The Contractor will be foreclosed from its Claim unless the Contractor presents complete documentary evidence, justification, and costs for each and every Claim within 90 calendar days from the date of assertion of each Claim. Claims must 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 Organization.

- 8.3 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.
- 8.4 The Contractors shall provide the certification specified below when submitting any Claim:
- 8.5 I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the contractor believes NATO is liable; and that I am duly authorized to certify the claim on behalf of the contractor.
- 8.6 Failure to comply with any of the above requirements will result in automatic forfeiture 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 were known to the Organization, where the Claim is based on defective specifications provided by the Organization, or in case of alleged misrepresentation by the Organization during Contract formation.
- 8.7 No Claim arising under this Contract may be assigned by the Contractor without the Organization's prior approval.
- 8.8 The Procurement Officer will render a decision on any Claim submitted by the Contractor. The decision will be based on an assessment and evaluation of the facts presented by the Parties. For claims under EUR 39,000 or equivalent value in other currency, the Procurement Officer will render such decision within 30 days of receipt of the Claim. For Claims over EUR 39,000, the Procurement Officer will notify the Contractor of the approximate date on which the decision is expected to be rendered. This date may be extended by the Procurement Officer in order to fully gather and evaluate the facts surrounding a Claim, but the Procurement Officer may not unreasonably extend such an evaluation period. The decision of the Procurement Officer will be conclusive.
- 8.9 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 Procurement Officer.

## **9 PRICING OF CHANGES, AMENDMENTS AND CLAIMS**

- 9.1 Contractor's pricing proposals for Changes, amendments and Claims shall be priced in accordance with the Organization's General Pricing Principles (ANNEX A hereto / Part III Contract General Terms and Conditions) and any fair, reasonable, and documented government pricing rules and regulations that may be relevant to the situation. The Contractor shall provide cost information accompanied by appropriate substantiation as required by the Organization in accordance with Organization's Pricing Principles, or such other format as may be agreed between the Contractor and the Organization.
- 9.2 This provision will also apply to follow-on contracts of any nature including maintenance and supply of spare parts.
- 9.3 With respect to 9.1 and 9.2 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 Organization.

9.4 For the purposes of verifying that the cost or pricing data submitted in conjunction with proposals and Claims submitted within the context of paragraphs 9.1 and 9.2 above are accurate, complete, and current, the Organization is granted the right of access to the Contractor's facilities to examine (i) those books, records, documents and other supporting data which will permit adequate evaluation and verification of the cost or pricing data submitted; and (ii) the computations and projections used therein which were available to the Contractor as of the date of the Contractor's price proposal or Claim, until the expiration of three (3) years from the date of final payment of all sums due under the Contract.

9.5 The Contractor, subject to the provisions of this clause, shall require Subcontractors to provide to the Organization, either directly or indirectly: (i) cost or pricing data, (ii) access to Subcontractor's facilities and records for the purposes of verification of such cost or pricing data; and (iii) a Certificate of Current Cost or Pricing Data when required.

9.6 If any price, including profit or fee, negotiated in connection with this Contract or any cost reimbursable under this Contract was increased by any significant sums because the Contractor, its Subcontractors, or prospective Subcontractors, furnished cost or pricing data which was not complete, accurate and current as certified in the Contractor or Subcontractor's Certificate(s) of Current Cost or Pricing Data provided in accordance with paragraph 9.7 below, then the price or cost will be reduced accordingly and the Contract will be modified in writing as may be necessary to reflect such reductions.

9.7 Certificate of Current Cost or Pricing Data

9.7.1 At the time of negotiating any price, including profit or fee, 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").

9.7.2 Such Certificates will certify that, to the best of the Contractor's knowledge and belief, cost or pricing data submitted to the Organization 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.

9.7.3 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, to the best of my knowledge and belief, cost or pricing data as submitted, either actually or by specific identification in writing to the Organization or his representative in support of.....(Claim, Amendment, ECP#, etc.,) are accurate, complete and current as of .....(Date).*

\_\_\_\_\_  
*Name of Company*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Printed Name of Signatory*

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*Title of Signatory*

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*Date of Signature*

- 9.8 The Contractor shall include the substance of this clause in all subcontracts under this contract that exceed the Euro-value of EUR 156,000.
- 9.9 Preferred Customer
- 9.9.1 For all supplemental agreements which are made for work which are furnished to the Organization 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, Organization or individual purchasing or handling like quantities of equipment, parts, or services 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 Organization and the prices of such items shall be correspondingly reduced by a supplement to this Contract.
- 9.9.2 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 or regulations.
- 9.10 Exceptions from cost or pricing data
- 9.10.1 In lieu of submitting cost or pricing data for modifications under this contract, the Contractor may submit a written request for exception by submitting the information described in the following paragraphs. The Procurement Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable:
- 9.10.1.1 Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.
- 9.10.1.2 If (1) the original contract or subcontract was granted an exception from cost or pricing data requirements because the price agreed upon was based on adequate price competition or prices set by law or regulation, or was a contract or subcontract for the acquisition of a commercial item; and (2) the modification (to the contract or subcontract) is not exempted based on one of these exceptions, then the Contractor may provide information to establish that the modification would not change the contract or subcontract from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.
- 9.10.1.3 For a commercial item exception, the Contractor shall provide, at a minimum, information on prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include:

- 9.10.1.3.1 For catalogue items, a copy of or identification of the catalogue and its date, or the appropriate pages for the offered items, or a statement that the catalogue is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalogue price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.
- 9.10.1.3.2 For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.
- 9.10.1.3.3 For items included on an active NATO framework contract, proof that an exception has been granted for the schedule item.
- 9.10.2 The Contractor grants the Procurement Officer or another Organization's authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this clause, and the reasonableness of price. For items priced using catalogue or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the Contractor's determination of the prices to be offered in the catalogue or marketplace.

## 10 INTELLECTUAL PROPERTY RIGHTS

- 10.1 Foreground IPR. Unless the Contractor has advised the Organization before contract award on existing third parties or Contractor's rights arising otherwise than by virtue of this contract, and with due regard to national security regulations, all rights in the results of work undertaken by, or on behalf of, the Organization for the purposes of this contract, including any technical data specifications, report, drawings, computer software data, computer programmes, computer databases, computer software, documentation including software documentation, design data, specifications, instructions, test procedures, training material produced or acquired in the course of such work and, in particular, all rights, including copyright therein, shall vest in and be the sole and exclusive property of the Organization.
- 10.2 Background IPR. Background IPR shall remain the property of the Party who owns the IPR. The Organization hereby grants to Contractor a royalty-free, non-exclusive, non-transferable license to use the Organization's Background IPR as required to allow Contractor to perform its obligations under the Contract. Upon completion of the services and on receipt of payment in full by Contractor, Contractor will grant to the Organization a perpetual, royalty-free, non-exclusive, non-transferable license to use Contractor's Background IPR as required to allow the Organization to use the deliverables produced by Contractor for any objectives and business purpose related to or derived from this Contract.

## 11 WARRANTIES AND REPRESENTATIONS

- 11.1 The Contractor acknowledges that the certifications and representations provided as part of the Contractor's proposal as incorporated in this Contract are material representations of fact upon which reliance was placed when making award. If it is later determined that the Contractor knowingly rendered an erroneous certification or

representation, the Organization may terminate the Contract for default, in whole or in part, and pursue such other remedies as may be permitted by law or this Contract.

## **12 CONTRACT LAW AND NATO'S SOVEREIGN IMMUNITY**

- 12.1 The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Contract. The Contractor confirms that it has been notified by the Organization prior to the Contractor's signature of Contract to the effect that NATO, including its personnel, assets, and facilities, enjoys immunity from jurisdiction and execution in all member states of the Alliance.
- 12.2 All disputes relating to this Contract, which cannot be settled through the procedure specified in clause 13 below, will be subject to the arbitration procedure stated in clause 14 below.

## **13 DISPUTE RESOLUTION PROCEDURE**

- 13.1 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 Organization under the Contract is said to be final and conclusive, shall be decided by the Head of the NATO Procurement Service. The Head of the NATO Procurement Service shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor.
- 13.2 The Head of the NATO Procurement Service 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 the "Claims" Clause of the Contract, as well as the complete proof and evidence of the claim (either by submission or by identification of the relevant documentation).
- 13.3 The decision of the Head of the NATO Procurement Service 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 Head of the NATO Procurement Service his decision to open arbitration proceedings in accordance with the Clauses to follow. 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 Head of the NATO Procurement Service.
- 13.4 Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the Contract, unless otherwise instructed by the Head of the NATO Procurement Service or the Procurement Officer.

## **14 ARBITRATION CLAUSE**

- 14.1 Disputes arising from the performance and/or the interpretation of the contract which are not settled amicably will be submitted to arbitration as follows:
- 14.1.1 The party instituting the arbitration proceedings shall advise the other party by registered letter, with official notice of delivery, of his desire to have recourse to arbitration. Within a period of thirty days from the date of receipt of this letter, 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 Organization, 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 Arbitration Court in The Hague.

- 14.1.2 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.
- 14.1.3 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.
- 14.1.4 Any person appearing before the Arbitration Tribunal in the capacity of an expert witness shall, if he/she 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/she is of another nationality, no NATO classified documents or information shall be communicated to him.
- 14.1.5 An arbitrator who, for any reason whatsoever, ceases to act as an arbitrator, shall be replaced under the procedure laid down in paragraph 14.1.1 above.
- 14.1.6 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.
- 14.1.7 The award 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.

## **15 RESTRICTIONS ON SUBCONTRACTOR SALES TO NATO**

- 15.1 Except as provided in paragraph 15.2 of this clause, the Contractor shall not enter into any agreement with an actual or prospective subcontractor, nor otherwise act in any manner, which has or may have the effect of restricting sales by such subcontractors directly to the Organization of any item (including services) or process (including computer software) made or furnished by the subcontractor under this Contract or under any follow-on production contract.
- 15.2 The prohibition in paragraph 15.1 of this clause does not preclude the Contractor from asserting rights that are otherwise authorized by law or regulation. For acquisitions of commercial items, the prohibition in paragraph 15.1 applies only to the extent that any agreement restricting sales by Subcontractors results in the Organization being treated differently from any other prospective purchaser for the sale of the commercial item(s).
- 15.3 The Contractor agrees to incorporate the substance of this clause, including this paragraph, in all subcontracts under this contract which exceed the NATO simplified procurement threshold (EUR 39,000).

## **16 PROTECTING NATO'S INTEREST WHEN SUBCONTRACTING**

- 16.1 The Organization suspends or debars Contractors to protect the NATO's interests. The Contractor shall not enter into any subcontract in excess of EUR 39,000 with a

Contractor that is debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.

- 16.2 The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed EUR 39,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any NATO entity.
- 16.3 A corporate officer or a designee of the Contractor shall notify the Procurement Officer, in writing, before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment. The notice must include the following:
  - 16.3.1 The name of the subcontractor.
  - 16.3.2 The Contractor's knowledge of the reasons for the subcontractor being debarred, suspended, or proposed for debarment.
  - 16.3.3 The compelling reason(s) for doing business with the subcontractor notwithstanding its debarment conditions.
  - 16.3.4 The systems and procedures the Contractor has established to ensure that it is fully protecting the NATO's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

## **17 NOTIFICATION OF OWNERSHIP CHANGES**

- 17.1 The Contractor shall make the following notifications in writing:
  - 17.1.1 When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Procurement Officer within 30 days.
  - 17.1.2 The Contractor shall also notify the Procurement Officer within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.
- 17.2 The Contractor shall:
  - 17.2.1 Maintain current, accurate, and complete inventory records of assets and their costs;
  - 17.2.2 Provide the Procurement Officer or designated representative ready access to the records upon request;
  - 17.2.3 Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and
  - 17.2.4 Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.
- 17.3 The Contractor shall include the substance of this clause in all subcontracts under this contract that exceed the Euro-value of EUR 156,000.

## 18 ASSIGNMENT

- 18.1 The Organization 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 Organization shall notify the Contractor in writing.
- 18.2 The Organization 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.

## 19 TERMINATION FOR DEFAULT

- 19.1 The Organization may, subject to the provisions of Clause 19.6 below, by written notice of default to the Contractor, terminate the whole or any part of this Contract in any one of the following circumstances:
- 19.1.1 if the Contractor fails to make delivery of all or part of the services or products within the time specified herein or any purchase order issued under the terms of the Contract;
- 19.1.2 if the Contractor fails to perform any of the other provisions of this Contract; or
- 19.1.3 if the Contractor so fails to make progress as to endanger performance of this Contract in accordance with its terms.
- 19.2 In the case of any of the three circumstances set forth in Clause 19.1 above, the Organization 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) calendar days that identifies:
- 19.2.1 In the case of late delivery of services or products, a statement of when the Contractor shall perform the services or deliver the products, and what circumstances exist which may be considered excusable delays under clause 19.6 hereto,
- 19.2.2 In the case of circumstances identified in clauses 19.1.2 and 19.1.3 what steps the Contractor is taking to cure such failure(s) within a period of ten (10) days (or such longer period as the Organization may authorize in writing) after receipt of notice in writing from the Organization specifying such failure and identifying any circumstances which exist which may be considered excusable delays under clause 19.6 hereto.
- 19.3 The Organization will evaluate the response provided by the Contractor or, in the absence of a reply within the time period mentioned in Clause 19.2 above, all relevant elements of the case, and make a written determination within a reasonable period of time that:
- 19.3.1 sufficient grounds exist to terminate the Contract in whole or in part in accordance with this clause and that the Contract is so terminated;
- 19.3.2 there are mitigating circumstances and the Contract should be amended accordingly; or
- 19.3.3 the Organization 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 Organization. The Organization may apply other remedial actions as provided by this Contract or entitled by law during such period of forbearance. This period of

forbearance shall in no event constitute a waiver of Organization's rights to terminate the Contract for default.

- 19.4 At the end of the period of forbearance, which may be extended at the Organization's discretion, the Organization may terminate this Contract in whole or in part as provided in clause 19.1, if the Contractor has not made adequate progress, deliveries or compliance with the Contract provisions as per the terms and conditions established for the period of forbearance.
- 19.5 In the event the Organization terminates this Contract in whole or in part, as provided in clause 19.1, the Organization may procure, upon such terms and in such manner as the Organization may deem appropriate, services or products similar to those so terminated, and the Contractor shall be liable to the Organization for any excess costs incurred in the procurement of such similar services or products as well as for any and all other costs incurred by the Organization due to the Contractor's failure to perform; however, the Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Clause.
- 19.6 Except with respect to the default of Subcontractors, 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. Such causes may include, but are not restricted to, causes of force majeure and acts of sovereign governments which the Contractor could not reasonably have anticipated; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, 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 products, works, or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.
- 19.7 If this Contract is terminated as provided in clause 19.1, the Organization, in addition to any other rights provided in this clause and the Contract, may require the Contractor to transfer title and deliver to the Organization, in the manner and to the extent directed by the Organization:
- 19.7.1 any completed designs, business process models, data models or definitions, software scripts or code, schemas, training materials or any other material artefact relating to the fulfillment of the Contract;
- 19.7.2 such partially completed designs, business process models, data models or definitions, software scripts or code, schemas, training materials, any other material artefact relating to the fulfillment of the Contract, and all Contract rights (hereinafter referred to as "Work In Process") as the Contractor has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated;
- 19.7.3 and the Contractor shall, upon direction of the Organization, protect and preserve property in the possession of the Contractor in which the Organization has an interest. Payment for completed products, works, or services delivered to and accepted by the Organization shall be at the Contract price. Payment for Work In Process delivered to and accepted by the Organization and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Organization, failure to agree to such amount shall be a dispute within the meaning of clause 13 of this Contract. The Organization may withhold from amounts otherwise due to the Contractor for such

completed services or products or Work In Process such sum as the Organization determines to be necessary to protect the Organization against loss because of outstanding liens or claims of former lien holders.

- 19.8 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 that shall be settled through the procedure specified in clause 13 above).
- 19.9 The rights and remedies of the Organization 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.

## **20 PARTICIPATING COUNTRIES**

- 20.1 None of the work performed under this contract, including project design, labour and services, shall be performed by firms other than from and within NATO Participating Countries.
- 20.2 No materials or items of equipment to be provided under the Contract, down to and including identifiable sub-assemblies, will be manufactured or assembled by a firm other than from and within a NATO Participating Country.
- 20.3 The Contractor warrants that, to the best of the Contractor's knowledge and belief, any exceptions to the origin of supplies established in paragraph 20.2 above have been disclosed as part of the Contractor's proposal as incorporated in this Contract.
- 20.4 The Contractor agrees that if any deviations from the origin of supplies specified in this clause or in the Contractor's proposal is discovered after award, the Contractor will make a full disclosure in writing to the Organization. This disclosure shall include a description of the actions which the Contractor has taken or proposes to take, after consultation with the Organization, to avoid the deviation and any cost and price data that may be reasonably required by the Organization in order to assess any price reductions that the Organization may be entitled to in accordance with the terms of this clause.
- 20.5 Any deviation from the origin of supplies specified in this clause or in the Contractor's proposal must be approved in writing by the Organization. If such a deviation results in a reduction of the costs originally foreseen by the Contractor for the performance of the Contract, the Organization will be entitled to an equitable reduction of the contract price and the Contract will be modified accordingly. In no case a deviation from the origin of supplies specified in this clause or in the Contractor's proposal will result in an increase of contract prices.
- 20.6 If the Contractor was aware of a potential deviation prior to award or discovered an actual or potential deviation after award and did not disclose or misrepresented relevant information to the Organization, the Organization may terminate the Contract for default, in whole or in part, and pursue such other remedies as may be permitted by law or this Contract.

## **21 APPLICABLE REGULATIONS**

- 21.1 The Contractor shall be responsible for obtaining permits or licenses to comply with national codes, laws and regulations or local rules and practices of the country of installation with respect of any works carried out at the designated installation sites stated under this contract.
- 21.2 The Contractor shall take any necessary measure to protect the life and health of persons working or visiting the work area occupied by him. These measures include compliance with the country of installation's safety provisions.
- 21.3 In the performance of all work under this contract, it shall be the Contractor's responsibility to ascertain and comply with all applicable NATO security regulations as implemented by the local Headquarters' Security Officer.

## **22 CORRUPTION AND ILLICIT GRATUITIES**

- 22.1 The Contractor certifies that neither it nor its agents or representatives have offered or given any gratuity whatsoever to any NATO personnel, with a view to securing a contract or favorable treatment with regard to the award, modification or execution of this Contract.
- 22.2 The Organization may, by registered letter, terminate this Contract without prior notice if it is found, after an investigation instituted by the Organization, that gratuities (in the form of entertainment, gifts or others) were offered or given by the Contractor to NATO personnel with respect to the award of this Contract or to the taking of any decision regarding its execution.
- 22.3 If this Contract is terminated under paragraph 22.2 of this clause, the Organization shall be entitled to pursue the same remedies as in a breach of the Contract and any other remedies and compensations provided by law or regulation.

## **23 RELEASE OF NEWS/INFORMATION.**

- 23.1 No news release (including photographs and films, public announcements, etc.) on any part of the subject matter of this Contract shall be made by the Contractor without prior written approval by the NATO Procurement Officer.
- 23.2 Furthermore the Contractor shall, in no other manner whatsoever use the name, emblem or official seal of NATO in connection with its business or for any other purpose outside the scope of this Contract.

## **ANNEX A GENERAL PRICING PRINCIPLES**

The following principles shall apply to all contracts and task orders not awarded on the basis of an adequate price competition as well as to all contract and task order modifications.

### **1 ALLOWABILITY OF COSTS**

1.1 Allowable cost. A cost is allowable if the following conditions are fulfilled:

- 1.1.1 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;
- 1.1.2 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;
- 1.1.3 It is not liable to any limitations or exclusion as to types or amounts of cost items as set forth herein.

### **2 PARTIALLY ALLOWABLE COSTS**

2.1 The following cost items are examples of costs which are normally partially allowable only as indirect costs within the limitations described below provided that such costs are reasonable in nature and amount and are allocated as indirect costs to all work of the Contractor.

- 2.1.1 Advertising costs.
- 2.1.2 Bonuses paid pursuant to an agreement entered into before the contract was made or pursuant to a plan established and consistently followed before the contract was concluded.
- 2.1.3 Depreciation of plant equipment or other capital assets.
- 2.1.4 Costs of normal maintenance and repair of plant, equipment and other capital assets.
- 2.1.5 The costs of general research and development work which are not chargeable directly to a contract and which are not aimed at the preparation or development of a specific product.
- 2.1.6 Travel costs, except those which, according to the terms of the contract, are to be charged directly to it.
- 2.1.7 Pre-contract cost (cost prior to the effective date stated in the contract) in anticipation of the award of the Contract or pursuant to its negotiation.

### **3 UNALLOWABLE COSTS**

3.1 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:

- 3.1.1 Costs of a particular advertising campaign without prior agreement of the Organization or which has no connection with the Contract.
- 3.1.2 Costs of remuneration, having the nature of profit sharing.
- 3.1.3 Costs of maintaining, repairing and housing idle and excess facilities.
- 3.1.4 Fines and penalties as well as legal and administrative expenses resulting from a violation of laws and regulations.
- 3.1.5 Losses on other contracts.
- 3.1.6 Costs incurred for the creation of reserves for general contingencies or other reserves (e.g. for bad debts, including losses).
- 3.1.7 Losses on bad debts, including legal expenses and collection costs in connection with bad debts.
- 3.1.8 Costs incurred to raise capital.
- 3.1.9 Gains and losses of any nature arising from the sale or exchange of capital assets other than depreciable property.
- 3.1.10 Taxes on profits.
- 3.1.11 Contractual penalties incurred.
- 3.1.12 Commissions and gratuities.
- 3.1.13 Interest on borrowings
- 3.1.14 Travel and per diem costs in excess to the amounts that would be allowable according to the NATO standards applicable to NATO civilian staff of equivalent labour categories.

#### **4 COST GROUPINGS**

- 4.1 In estimating or calculating the costs of the supplies to be furnished and the services to be performed under the Contract, the Contractor shall distinguish the following cost groupings:
  - 4.1.1 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.
  - 4.1.2 Indirect Costs. An indirect cost is one which is not readily subject to treatment as a direct cost.
- 4.2 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.

## 5 OVERHEAD RATES

- 5.1 Indirect costs, which as a rule are to be allocated to all work of the Contractor, shall be accumulated by logical cost groupings in accordance with sound accounting principles and the Contractor's established practices. Such costs shall be presented as overhead rates and be applied to each related direct cost grouping.
- 5.2 The Contractor shall inform the Organization of its overhead rates and the basis upon which they were computed.
- 5.3 The term "provisional overhead rate" means a tentative overhead rate established for interim billing purposes pending negotiation and agreement to the final overhead rate.
- 5.4 An overhead rate is pre-determined if it is fixed before or during a certain period and based on (estimated) costs to be incurred during this period. An overhead rate is post-determined if it is fixed after a certain period and based on costs actually incurred during this period.
- 5.5 Pre-determined overhead rates shall be agreed upon as final rates whenever possible; otherwise the provisions of paragraph 5.3 above shall apply pending agreement to post-determined rates.
- 5.6 Such rates shall be determined on the basis of Contractor's properly supported actual cost experience.
- 5.7 If the overhead rates 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 its government and the Contractor proposes the application of these rates, the Contractor 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 the Contractor proposes rates which vary from the rates mentioned above, the Contractor shall furthermore provide a justification for the difference.
- 5.8 If the overhead rates of the Contractor for similar contracts placed by national or international public services have not been established or approved by a government agency or an agency accepted by its government, the Contractor shall provide the necessary data to support the proposed rates.

**REQUEST FOR PROPOSAL**

**RFP – 2012/20**

**NORTH ATLANTIC TREATY ORGANISATION (NATO)**

**MANAGEMENT ADVISORY SERVICES (MAS)  
FRAMEWORK AGREEMENT**

**PART IV – STATEMENT OF WORK**

## **PART IV – STATEMENT OF WORK (SOW)**

### **1 GENERAL**

- 1.1 The Contractor shall provide Management Advisory Services (MAS) to assist NATO with the design and implementation of a wide variety of organizational change and improvement initiatives as well as support for activities related to transition to the New NATO HQ.
- 1.2 The Contractor shall provide services remotely or on site depending on the particular needs of each task order. The majority of the services will be in support to the NATO International Staff located at the NATO Headquarters in Brussels.
- 1.3 Services will be provided under a multiple-award framework agreement covering the following domains of expertise:
  - 1.3.1 Business Strategy Consulting
  - 1.3.2 Business Process Design and Management
  - 1.3.3 Program and Project Management Support
  - 1.3.4 Business Transformation and Organizational Change Management
  - 1.3.5 Human Capital Management Consulting
  - 1.3.6 Procurement and Contract Management Consulting and Support
  - 1.3.7 Internal and External Communications Support
  - 1.3.8 Quality Assurance Support and Independent Verification & Validation Services
  - 1.3.9 Financial and Economic Consultancy
  - 1.3.10 Accounting Advice and Services
  - 1.3.11 Audit & Assurance/ Forensic Accounting
  - 1.3.12 Learning and Development Support
  - 1.3.13 Transportation & Logistics Consulting
  - 1.3.14 Infrastructure and Facilities Operations and Management Consulting
  - 1.3.15 Systems and Operations Consulting and Support
- 1.4 ANNEX A provides a detailed description of these domains and lists the type of tasks that may be ordered under the framework.
- 1.5 BACKGROUND INFORMATION ABOUT THE ORGANIZATION
  - 1.5.1 NATO is a political and military alliance whose primary goals are the collective defense of its members and the maintenance of a democratic peace in the North Atlantic area. All 28 Allies have an equal say, the Alliance's decisions must be consensual, and its members must respect the basic values that underpin the Alliance, namely democracy, individual liberty and the rule of law.

- 1.5.2 NATO has a military and civilian headquarters and an integrated military command structure but very few forces or assets are exclusively its own. Most forces remain under full national command and control until member countries agree to undertake NATO-related tasks.
- 1.5.3 The NATO Headquarters (NATO HQ), located in Brussels, Belgium, is the political headquarters of the Alliance. The physical facility accommodates approximately 5,000 people and it is operated by the NATO International Staff (IS). In addition to the NATO IS, it is home to the National Delegations and Military Representations of the NATO member nations and to the liaison offices or diplomatic missions of some 20 partner countries. The work of these delegations and missions is supported by the NATO IS and the International Military Staff (IMS), which are located within NATO HQ. NATO IS has information offices in Moscow (Russia) and Kiev (Ukraine) and IS members work in the NATO Senior Civilian Representative (SCR) office in Kabul (Afghanistan).
- 1.5.4 The Brussels, Belgium campus also houses 3 NATO agencies with approximately 1,000 staff on site. The agencies housed at NATO HQ are the NATO Communications and Information Agency (NCIA), the NATO Standardization Agency (NSA) and the BICES Group.
- 1.5.5 Most of the consultation and decision making activities of the Alliance take place during committee meetings at NATO HQ for which the HQ operates a major conference centre. NATO HQ receives approximately 500 visitors daily and hosts over 5,000 official meetings annually including high level ministerial and summit meetings. The main consultative body of the Organization is the North Atlantic Council (NAC) also located at NATO HQ and comprised of representatives of the twenty eight NATO member nations.
- 1.5.6 NATO IS comprises of approximately 1,200 staff and operates under the direct authority of the Secretary General of the Organization who is appointed by the NATO member nations' heads of state and government. The annual operating budget of NATO IS is between Euro 200 and 300 million. The International Staff is organized in 7 Divisions and 5 Independent Offices (IO), namely:
- 1.5.6.1 Private Office of the Secretary General
  - 1.5.6.2 Public Diplomacy Division
  - 1.5.6.3 Political Affairs and Security Policy Division
  - 1.5.6.4 Operations Division
  - 1.5.6.5 Defence Planning and Policy Division
  - 1.5.6.6 Defence Investments Division
  - 1.5.6.7 Emerging Security Challenges Division
  - 1.5.6.8 Executive Management Division
  - 1.5.6.9 NATO Office of Security
  - 1.5.6.10 NATO Office of Resources
  - 1.5.6.11 Office of the Financial Controller
  - 1.5.6.12 Office of the Legal Advisor

- 1.5.7 Each Division is led by an Assistant Secretary General (ASG); Independent Offices are led by a Director. Divisions have one or more directorates, services, sections or branches. Directorates are led by a Deputy Assistant Secretary General (DASG), who reports to the ASG of the respective Division. Services, Sections and Branches are led by a Head of Service/Section/Branch who reports either to a DASG, ASG or the Director of an Independent Office. ASGs and Directors of Independent Offices are ultimately responsible for the management of their Division and/or Independent Office.
- 1.5.8 The financial operations of the NATO IS are executed based on an annual budget approved by the Budget Committee (BC), which comprises of national representatives of the twenty eight NATO member nations. The execution of the budget and financial operations are audited annually by the International Boards of Auditors for NATO (IBAN). The International Board of Auditors for NATO is an independent body separate from the NATO IS tasked with the execution of the audit function for all NATO bodies.
- 1.5.9 Further information about the Organization is publicly available on the Internet at [www.nato.int](http://www.nato.int).

## 1.6 ORGANISATIONAL CHANGE AND IMPROVEMENT INITIATIVES

- 1.6.1 This section includes high-level information about the main change and improvement initiatives where Contractor support may be required. Further details about these initiatives also are available at the NATO website.
- 1.6.2 NATO Reform
- 1.6.2.1 NATO is committed to a continuing process of reform, so that the Alliance becomes more flexible, efficient, and effective. The Alliance's three essential 'core tasks' – collective defense, crisis management, and cooperative security – require the continued adaptation of the Organization. Military budget reductions in an age of austerity require that the Alliance do more with less, while not sacrificing its capabilities. In 2011, NATO began pursuing a new way of acquiring and maintaining capabilities, captured by the term "smart defense". The way forward lies in prioritizing the capabilities needed the most, specializing in what Allies do best, and seeking multinational solutions to common challenges where it is efficient and cost-effective.
- 1.6.2.2 At the 2010 Lisbon Summit, NATO leaders built upon previous efforts with an ambitious package of reform measures, including review of the military command structure, agencies, and resource management. These measures included a framework for a new NATO Command Structure that will be more effective, affordable, and deployable on operations. In June 2011, NATO Defense Ministers agreed a revised structure that will reduce manning by one third, from over 13,000 to 8,800. The new NATO Command Structure should reach initial operational capability by end 2013 and be fully implemented by end 2015.
- 1.6.2.3 NATO Agencies employ some 6,000 military and civilian personnel working in seven countries. They provide critical support to current operations and manage the procurement of major capabilities. At Lisbon, Allied leaders approved the consolidation and rationalization of 14 current NATO Agencies into three, focusing on communications and information; support; and procurement. The new agency structure has been set up in July 2012.
- 1.6.2.4 A key part of the Agency reform is the implementation of a Shared Services environment for the execution of common support functions such human resources management, finance, general IT and general procurement. The Organization is

currently developing the organizational blueprints for the future shared services environment.

- 1.6.2.5 As part of a NATO Resource Reform process, the NATO Office of Resources (NOR) has started to improve its Business Processes: the objectives of the reform project is to enhance the NATO financial and implementation management processes by increasing the levels of transparency, accountability and efficiency and fully take into account current best practices in public finance. To support their enhanced Business processes, the NOR envisages to purchase and implement a Project Portfolio Management system (PPM). The PPM System will provide the necessary functionality for collecting, analyzing and managing information on current and planned common funded military capabilities in terms of investment, operation and maintenance and manpower costs.

### 1.6.3 NATO HQ Reform and Transition to New NATO HQ (NNHQ)

- 1.6.3.1 NATO Headquarters is also being reformed with a review of multinational acquisition processes, a reduction in the number of committees, and the establishment of a new Division for Emerging Security Challenges.
- 1.6.3.2 Against a backdrop of changing priorities and real budgetary pressures, efforts are also underway to ensure that the International Staff evolves towards a leaner, more flexible workforce sharply focused on NATO's priority areas. All of these changes are designed to ensure that a new NATO will move into a new headquarters, when the building is inaugurated in 2016.
- 1.6.3.3 The New NATO HQ (NNHQ) is located across Boulevard Leopold III from the current NATO HQ (CNHQ). The construction of the New NATO HQ is well underway with all construction and furnishing contracts already awarded or in the process of being awarded. The transition from the CNHQ to the NNHQ is viewed not only as a physical relocation but as an opportunity for reform and development of new ways of work at NATO HQ. The transition is the responsibility of the Transition Office which is part of the Executive Management Division. The Transition Office undertakes activities as broad as initiating organizational and operational change and planning and executing the relocation of NATO staff and National Delegations staff from the CNHQ to the NNHQ.
- 1.6.3.4 New information and management systems will also be implemented. The Constellation Project was established as part of the larger NATO HQ Information and Communications Technology (ICT) Revitalization Program. The Project Mandate, as approved by the NAC, is to improve management of the NATO IS by transforming business processes and introducing enabling technology tools such as an integrated ERP suite. In particular, the project will replace existing, obsolete, custom systems that support resource planning activities such as budgeting, financial management, procurement and asset management and human resources management with an integrated enterprise resource management suite.

## 2 DEFINITIONS AND ACRONYMS.

AAT	Association of Accounting Technicians
CED	Contract Effective Date
CNHQ	Current NATO Headquarters
CCAB	Consultative Committee of Accountancy Bodies

CPA	Chartered Public Accountant
ERP	Enterprise Resource Planning
MB	Military Budget
NOR	NATO Office of Resources
NNHQ	New NATO Headquarters
NSIP	NATO Security Investment Programme
PPM	Project Portfolio Management
SOW	Statement Of Work

### **3 STATEMENT OF OBJECTIVES**

#### 3.1 CORPORATE OBJECTIVE

3.2 The overall objective is to provide timely and easy access to world-class management advisory services needed to support the design and implementation of NATO Reform related initiatives.

#### 3.3 CONTRACT OBJECTIVES

3.3.1 Provide a flexible and streamlined pricing and ordering mechanisms that allow the Organization to acquire best-value management advisory services in a timely and cost-effective manner;

3.3.2 Avoid or reduce the risk of potential conflicts of interest, particularly with respect to the procurement actions covering the acquisition and implementation of NATO systems, capabilities, works, and services other than those specified in this SOW, without causing a substantial negative impact on competition and quality of services.

#### 3.4 MANAGEMENT OBJECTIVE

3.4.1 Allow the Contractor the maximum flexibility to innovatively manage its corporate resources, expertise, and subcontracts (if any) so as to provide a high-value contribution in support to the NATO's corporate objective within existing constraints and available funding.

### **4 PERSONNEL AND RESOURCES**

#### 4.1 GENERAL REQUIREMENTS

4.1.1 Contractor's Key Personnel and other personnel performing services at NATO facilities or in direct contact with NATO staff and stakeholders must meet the following requirements:

4.1.1.1 Be nationals of a NATO member country.

4.1.1.2 Have computer and local area network skills and be conversant with office support tools (MS Office Professional current version) tied to an MS Windows operating system environment.

- 4.1.1.3 Possess a proficiency in English equivalent to or higher than the NATO Standardized Level Profile 3, 3, 3, 3 (i.e., Listening, Speaking, Reading, and Writing skills must be good) set in NATO STANAG 6001.
- 4.1.1.4 Have good writing, communication, and presentation skills.
- 4.1.1.5 Be available to work on site in Brussels – Belgium or at other NATO locations, as required for the performance of the Contract.
- 4.1.2 Contractor's personnel must also be in possession of NATO Personal Security clearances at the NATO Secret level, at least 30 days before starting work under task orders, if the task orders require Contractor's personnel to:
  - 4.1.2.1 Have access to NATO classified information or NATO systems or networks for the performance of the tasks specified in the order; or
  - 4.1.2.2 Work on a permanent basis on a NATO site for a period longer than one day over the task order performance period.
- 4.1.3 The Contractor must guarantee availability of enough qualified personnel so as to be able to deliver the products and services specified in this SOW.
- 4.1.4 The Contractor's personnel performing services at NATO Headquarters shall be required to sign a Certificate of Acknowledgement of Responsibilities.
- 4.1.5 The Organization (NATO) may seek to insulate the work of the Contractor's Team members from any other interests the Contractor may have with NATO now or in the future. Therefore, the Organization may require the Contractor's members to sign relevant non-disclosure agreements with the Organization and, as needed, subject him/her to audits of correspondence, including electronic correspondence and usage of electronic documents. The Contractor's personnel will be required to comply with all instructions issued by the Organization that are required to ensure the insulation of the Team's work from any other activities that the Contractor may undertake now or in the future with NATO.

## 4.2 SPECIFIC QUALIFICATION REQUIREMENTS

- 4.2.1 Specific qualification requirements applicable to each labor category and field of expertise are specified in ANNEX A, ANNEX B, and the Contractor's Proposal.

## 4.3 MANDATORY ROLES AND FOCAL POINTS

- 4.3.1 The Contractor shall appoint sufficient qualified personnel for the execution of the following mandatory roles. These personnel will serve as focal points for the management and execution the framework agreement:
  - 4.3.1.1 Responsible Senior Executive (e.g. senior partner, executive director). A senior manager with sufficient authority, expertise and decisional capability to perform the role of Responsible Senior Executive. The individual will be responsible for the relationship between NATO and the Contractor including the quality execution of services delivered for each awarded task order. The individual will also be the senior executive responsible for the resolution of issues and disputes that may arise between NATO and the contractor.
  - 4.3.1.2 Framework Contract Manager. A senior manager with sufficient authority and expertise to perform the role of Framework Contract Manager. The individual will be responsible for the daily management of the framework contract, including the

receipt and submission of task order and responses as well be a part of the escalation chain for issues.

- 4.3.1.3 Authorized Negotiator. A senior manager with sufficient authority to conclude agreements within the scope of the framework. The individual will be responsible for negotiating – on behalf of the Contractor – any non-standard commercial aspects of a task order as well as any issues that have a commercial impact (e.g. invoice payments).
- 4.3.2 Contractor's personnel appointed for the execution of the roles stated above must comply with the generic qualification requirements specified in paragraph 4.1.
- 4.3.3 The Contractor may appoint more than one individual to perform the same role or assign more than one role to the same individual.

#### 4.4 KEY PERSONNEL

- 4.4.1 The Contractor shall appoint the following Key Personnel for the execution of the framework:
  - 4.4.1.1 Senior Technical Leader. A senior manager with sufficient experience and expertise to perform the role of Senior Technical Leader. This individual must also meet the general qualification requirements specified in section 4.1 above and will be considered as Key Personnel for the execution of the Contract. This individual will provide the Contractor team(s) the overall guidance needed to ensure that the work performed under different task orders fits in the overall objectives, in particular reform objectives, of the contract and the Organization. This individual is also responsible for the quality of the deliverables and the high standards of quality expected from the contractor and sub-contractors (if any). The Senior Technical Leader may also perform one or a combination of the mandatory roles specified in section 4.3 above.

### 5 HOURS OF OPERATION

- 5.1 While performing at NATO sites, Contractor's personnel must work during NATO official working hours (normally between 8:30–18:00, Monday to Thursday, and between 8:30-16:00 on Friday), unless otherwise specified in the task orders. Recognized holidays are official holidays approved by the NATO site specified in the task order, or if no site is specified in the task order, by the NATO Headquarters. A list of the official holidays can be obtained from the NATO Project Manager designated in task orders.
- 5.2 Exceptionally, Contractor's personnel may be required to work outside normal working hours.
- 5.3 Exceptionally, Contractor's personnel may be required to deploy to other locations other than those specified in the task order in order to participate in project-related meetings.
- 5.4 Contractor's personnel performing services under Contract shall take vacation and voluntary leave at times agreed between the Contractor and the designated NATO Project Manager.

### 6 NATO FURNISHED PROPERTY AND SERVICES

- 6.1 The Organization shall provide the Contractor with the property and services specified in task orders for the performance of the work specified in the task orders. When the task order requires the Contractor to perform services on site, the Organization will provide

sufficient office space and furniture, according to the Organization's standards, for the performance of the task order.

## 7 CONTRACTOR FURNISHED PROPERTY AND SERVICES

- 7.1 Except for those items or services specifically stated to be NATO furnished in clause 6 above, the Contractor shall furnish everything required to perform task orders issued under the Agreement.

## 8 CONTRACTOR TASKS

### 8.1 GENERAL

- 8.1.1 Contract and Task Order Management. The Contractor will be responsible for the management of the total work effort to include, but not limited to managing, absence and leave planning, scheduling, accounting, report preparation, establishing and maintaining records, and quality control. The Contractor must:

- 8.1.1.1 Provide a POC for planning and coordinating purposes prior, during, and after all tasks and activities to be performed under a task order.
- 8.1.1.2 Provide the NATO Project Manager with a list of Contractor's personnel upon the task order effective date and as changes occur.
- 8.1.1.3 If required by the terms of task orders, provide the NATO Project Manager with copies of the security clearances of the personnel that will perform services under the Contract at least 30 days before the task order start date and as personnel changes occur.
- 8.1.1.4 For complex engagements the Contractor may also be required to produce an updated Team Plan in accordance with the attached product description (ANNEX C).
- 8.1.1.5 Provide other reports that may be specified in task orders.
- 8.1.1.6 Provide any other contract or management reports that may be reasonably required by the NATO Procurement Officer responsible for the administration of the Contract or task order.

### 8.2 SPECIFIC TASKS

- 8.2.1 Task orders will include a Statement of Work (SOW) that will establish the specific tasks to be performed by the Contractor. Task order SOWs will be based on the product description shown in ANNEX D.

#### 8.2.2 MAS Provision

- 8.2.2.1 The Contractor shall provide the management advisory services listed in **Error! Reference source not found.** as specified by the terms and conditions of task orders issued under the framework agreement.

#### 8.2.3 Development of Specialist Products

- 8.2.3.1 The Contractor shall develop those specialist products that may be specified in task orders. Wherever practicable, the Organization will include PRINCE2 or similar

standard product descriptions to clearly specify task order Deliverables and associated acceptance criteria.

8.2.3.2 The Contractor may need to prepare and facilitate workshops and interviews for information and data gathering and validation purposes as specified in the paragraphs below and according to the Contractor's task order proposed approach.

8.2.3.3 The Contractor may also be required to present the Deliverables to relevant audiences, as directed by the NATO Project Manager.

#### 8.2.4 Support to Quality Reviews for Deliverables

8.2.4.1 Unless otherwise specified in task orders, Deliverables will be subject to review and acceptance by NATO in accordance with the PRINCE2 Quality Review Technique or a similar technique.

8.2.4.2 The Contractor shall assist the review chairperson in the organization and preparation of quality reviews. The Contractor shall also perform the roles of scribe and producer unless otherwise specified in the task order.

#### 8.2.5 Data and Information Gathering

8.2.5.1 If required by the terms of the task order, the Contractor shall be responsible for managing, controlling, and executing the entire data and information gathering process and validation effort needed for the development of Deliverables, under the overall supervision of NATO Project Manager. This includes but is not limited to the provision of the tools and databases, the execution of workshops and interviews with relevant stakeholders and members of the staff, and documenting and validating collected data and information.

## 9 QUALITY CONTROL

9.1 For complex engagements the task order may require the Contractor to establish and maintain a complete Quality Control Plan to ensure that the requirements of the task order are provided as specified. In this case, one copy of the contractor's Quality Control Plan shall be provided to the Procurement Officer not later than the task order pre-performance conference. An updated copy must be provided to the Procurement Officer on the task order start date and as changes occur. The plan shall describe the methods for identifying and preventing defects before the level of performance becomes unacceptable.

## 10 QUALITY ASSURANCE AND CONTRACTOR PERFORMANCE ASSESSMENT

### 10.1 GENERAL

10.1.1 In addition to the quality methods specified in task orders for the acceptance of Deliverables, the Organization may evaluate the contractor's performance under the framework contract using the method of surveillance specified by the Procurement Officer responsible for the administration of the Contract.

10.1.2 Contract Discrepancy and Performance Evaluation Meetings. The Contractor's Framework Contract Manager may be required to meet periodically and at the beginning of contract performance with the Procurement Officer and NATO Project Managers. Meetings will be scheduled as needed. The Contractor may request meetings whenever a contract discrepancy report, a complaint, or an unsatisfactory performance report is issued. The written minutes of these meetings shall be approved

by the Contractor's framework contract manager, the NATO Procurement Officer, and the NATO Project Managers that attended the meeting. If the Contractor does not concur with the minutes it shall state any areas of non-concurrence within 7 days of receipt of the approved minutes.

## 10.2 PERIODIC EVALUATION SYSTEM

10.2.1 Contractor's performance shall also be subject to NATO's periodic evaluation through quality surveys.

10.2.2 Periodic Contractor's Performance Evaluation Reports. The NATO Project Managers shall issue periodic reports to document Contractor's performance under the contract. These reports shall rate Contractor's performance on the following factors:

10.2.3 Technical Performance:

10.2.3.1 Responsiveness to changes in technical direction

10.2.3.2 Ability to identify risk factors and alternatives for alleviating risk (if applicable)

10.2.3.3 Ability to identify and solve problems expeditiously

10.2.3.4 Ability to employ standard tools/methods

10.2.4 Management Performance:

10.2.4.1 Overall communication with NATO Project Manager and NATO

10.2.4.2 Effectiveness and reliability of Contractor's personnel

10.2.4.3 Ability to recruit and maintain qualified personnel

10.2.4.4 Ability to effectively manage subcontractors (if applicable)

10.2.4.5 Overall performance in planning, scheduling, and monitoring

10.2.5 Customer Satisfaction:

10.2.5.1 Contractor's ability to be cooperative, business-like and concerned with the interests of the customer

10.2.5.2 Contractor's personnel image and appearance

10.2.5.3 Contractor's overall performance

10.2.6 The evaluation reports stated above will highlight those factors on which Contractor's performance has been unsatisfactory and, at the same time, propose management measures to the Contractor in order to remedy the deficient ratings (e.g., replacement of a specific employee).

10.2.7 The outcome of the Contractor's performance evaluation may be used as a determining evaluation factor for the award of future task orders under the contract.

**ANNEX A DOMAINS OF MANAGEMENT ADVISORY SERVICES (MAS)**

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
1	Business Strategy Consulting	Consulting advice for the development and implementation of business strategies for use by senior level decision makers. Advice for the development of strategic capabilities, concept of operations, organizational structures and integration other strategic initiatives (e.g. shared services) in support of the policy making process and operations at NATO.	<ul style="list-style-type: none"> <li>• Leadership mentoring</li> <li>• Developing and reviewing business strategies, visioning &amp; blueprinting</li> <li>• Strategic planning processes</li> <li>• Developing business plans</li> <li>• Product and Service Design</li> <li>• Business and technology strategy alignment</li> <li>• Service transformation and rationalization</li> <li>• Commissioning strategies for new facilities</li> <li>• Business sourcing strategies e.g. Outsourcing, Shared Services, etc</li> <li>• Identification and development of new services / programs / initiatives</li> <li>• Policy review and development advice</li> <li>• Sustainability and Sustainable Development Strategies and Policies</li> <li>• Feasibility/Scoping studies, options appraisal and business case development</li> <li>• Advice for the application of specific program, project, service, or quality management methods (e.g., PMI, PRINCE2, MSP, ITIL, Six Sigma, etc.)</li> <li>• Appraise business structures and business performance measurement, in support of strategy development</li> <li>• Conduct Value Engineering and Value Analysis in support to strategy development</li> <li>• Organizational reforms, mergers, and integrations</li> <li>• Benchmarking and best practices research focused on specific functions, general management, organizational performance or specific issues</li> <li>• Skills and knowledge transfer</li> <li>• Risk management, business continuity and recovery planning</li> </ul>
2	Business Process Design and Management	Consulting advice for the management, improvement, and development of business processes in various functional areas and across organizational entities (including the current and the new NATO HQ).	<ul style="list-style-type: none"> <li>• Business process modeling and mapping</li> <li>• Business process improvement and reengineering and related management support.</li> <li>• New business process development across functional lines and organizational entities.</li> <li>• Business process improvement and development for multiple functional areas (e.g. New NATO HQ, shared services).</li> <li>• Performance measurement and benchmarking to comparable organizations</li> <li>• Best practices research</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
			<ul style="list-style-type: none"> <li>• Recommendations for improvements in the benchmarked services, operations and resource consumption to approach best in class values</li> </ul>
3	Program and Project Management Support	Support for portfolio, program, and project management activities in multiple functional areas.	<ul style="list-style-type: none"> <li>• Development and execution of portfolio/program/project management methodologies and standards based in principle on Prince2, MSP and PMI methods.</li> <li>• Development and establishment of program and project integration office(s) including methodologies and staffing requirements.</li> <li>• Development and review of project business cases and related documentation according to established methodologies and standards.</li> <li>• Support for basic capital and project resources planning and advice for the development of high quality business cases.</li> <li>• Risk assessment and mitigation strategy development.</li> <li>• Execution of daily program and project management functions</li> <li>• Strategic program/project management support</li> <li>• Best practice tools and techniques</li> <li>• Alignment and integration of PPM with organizational aims</li> <li>• Portfolio development</li> <li>• Benefits management</li> <li>• Project/Program Governance and Assurance</li> <li>• Program/Project Initiation</li> <li>• Introduction of Project Based Working</li> <li>• Stakeholder management</li> <li>• Communication strategies/management</li> <li>• Program/project health checks and efficiency reviews</li> <li>• Peer reviews</li> <li>• Project recovery</li> <li>• Project evaluation review</li> </ul>
4	Business Transformation and Organizational Change Management	Consulting advice and support for the transformation of the Organization to achieve improved efficiencies and business management in support of new or existing business strategy. Continued support, in an advisory role, during the implementation of change advising management of	<ul style="list-style-type: none"> <li>• Change management strategy, including cultural change assessment, change readiness reviews, capability building, mentoring change leaders and application of recognized tools and techniques</li> <li>• Appraising business structures, business architecture and operating models</li> <li>• Structural reviews, organizational diagnosis, role design and re-organization</li> <li>• Business performance measurement and reviews</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
		structural and operational changes needed to deliver the business strategy and on its objectives.	<ul style="list-style-type: none"> <li>• Organizational reform, mergers, and integration</li> <li>• Commercialization strategy advice</li> <li>• Business planning activities</li> <li>• Communications and employee / stakeholder engagement</li> <li>• Risk management and contingency planning advice</li> <li>• Skills and knowledge transfer</li> <li>• Sustainability and sustainable development</li> </ul>
5	Human Capital Management Consulting	<p>Consultancy advice on all aspects of HR and learning and development, including strategies, policies, processes and organization of the function. Advice may relate to all people related strategies concerned with internal organization. Supporting and driving organizational change through advising on structure and role design to meet future strategic and functional needs.</p> <p>Developing performance management systems and cultures to build organization, team and individual learning and performance. Advice and support on developing organizational effectiveness through securing staff commitment and engagement.</p>	<ul style="list-style-type: none"> <li>• Skills and knowledge assessment, development, transfer and refresh</li> <li>• HR transformation</li> <li>• Culture change, benchmarking and measurement</li> <li>• Structural reviews, organizational diagnosis, role design and re-organization</li> <li>• Restructuring and managing people aspects of change</li> <li>• People/role assessment services</li> <li>• Skills analysis, audit and capability management</li> <li>• Succession planning</li> <li>• Redundancy, outplacement, surplus management and redeployment</li> <li>• Absence management</li> <li>• Performance management</li> <li>• Reward and remuneration</li> <li>• Recruitment strategies development</li> <li>• Training and development strategies/policies</li> <li>• Talent management, leadership development and executive coaching</li> <li>• Staff surveys</li> <li>• Smart /flexible working</li> <li>• HR systems and technology advice</li> <li>• Healthy lifestyle promotion advice</li> <li>• Counseling services advice</li> <li>• Diversity and equality</li> </ul>
6	Procurement and Contract Management Consulting and Support	Consultancy advice on procurement and contract management strategies, policies, processes and organization of the function. Advice may also relate to advising on a specific procurement project (at any stage of the lifecycle) for goods/ services including	<ul style="list-style-type: none"> <li>• Strategies, policies, processes</li> <li>• Structure of procurement function, skills evaluation, staff development</li> <li>• Public sector procurement legislative and regulatory environment</li> <li>• Transforming NATO Procurement and procurement improvement programs</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
		outsourcing support and complex financing initiatives advice.	<ul style="list-style-type: none"> <li>• Procurement capability reviews</li> <li>• Collaborative Procurement</li> <li>• Category management, spend analysis, commodity strategies, etc.</li> <li>• Supplier management and supplier development</li> <li>• Procurement and contract management systems, eProcurement, and tools</li> <li>• Performance and efficiency management including benchmarking</li> <li>• Sustainable procurement</li> <li>• Advising on specific procurements – strategy, evaluation, processes, management, etc</li> <li>• Competitive dialogue</li> <li>• Commissioning</li> <li>• Skills and knowledge transfer</li> <li>• Innovation in Procurement</li> <li>• Contract management</li> <li>• Contract drafting</li> <li>• Service Level Agreement development, negotiation, implementation, and management</li> </ul>
7	Internal and External Communications Support	Consulting advice and support for the development and implementation of communication strategies and programs with focus on internal communications and communications during organizational change.	<ul style="list-style-type: none"> <li>• Communications strategies and plans across full range of channels and platforms (including new media)</li> <li>• Outreach communication activities to external stakeholders</li> <li>• Internal communications, including message development, across multiple channels on change management and organizational change</li> <li>• Development of communication collaterals to support the communication strategies</li> <li>• Naming, branding, signage for new facilities</li> <li>• Assessment of internal communication programs effectiveness</li> <li>• Identification of communication needs and requirements</li> <li>• Design of communications management systems and processes</li> <li>• Advice on communications management tools</li> </ul>
8	Quality Assurance Support and Independent Verification & Validation Services	Consulting advice and support for all aspects of quality control, quality management, quality assurance, and independent verification and validation.	<ul style="list-style-type: none"> <li>• Review of studies, assessments, projects (project documentation and methodologies) as well as deliverables and work products to determine quality, performance and compliance (e.g. time, budget, regulatory, technical)</li> <li>• Development and implementation of quality systems and procedures</li> <li>• Implementation of quality methods, standards, and techniques</li> <li>• Provision of quality assurance and independent verification and validation services</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
			<ul style="list-style-type: none"> <li>• Development of quality plans, quality assurance plans, test plans, and other quality control and assurance products</li> <li>• Preparation and execution of quality reviews, tests, and other types of verifications</li> </ul>
9	Financial and Economic Consultancy	<p>Consultancy advice on all aspects of specialized financial and economic management within an organization. Advice may relate to establishment of suitable strategies, policies, processes and organization of financial and economic responsibilities within an organization. Advice may also be provided in support of specific projects including complex procurements and shared services, and mixed financing initiatives.</p>	<ul style="list-style-type: none"> <li>• Financial performance review and viability studies</li> <li>• Financial options</li> <li>• Financial reporting</li> <li>• Financial modeling and model review</li> <li>• Costing review and evaluation</li> <li>• Economic appraisal</li> <li>• Econometric tools for efficiency studies, demand forecasting, trend analysis, hypothesis testing and market research</li> <li>• Benchmarking and statistical analysis</li> <li>• Financial systems development</li> <li>• Business planning support</li> <li>• Wider market reviews and support</li> <li>• Corporate performance management</li> <li>• Rationalization and efficiency</li> <li>• Investment advice</li> <li>• Cash and funds management advice</li> <li>• Debt advisory</li> <li>• Projects Finance Advice:               <ul style="list-style-type: none"> <li>○ Infrastructure financing</li> <li>○ Option and feasibility studies</li> <li>○ Market evaluation</li> <li>○ Business Case and funding bids</li> <li>○ Refinancing</li> <li>○ Tax accounting and advice</li> <li>○ Project management and negotiation</li> </ul> </li> </ul>
10	Accounting Advice and Services	<p>Accountancy advice and services relating to the classification and recording of transactions and interpretation of results in order to assess</p>	<ul style="list-style-type: none"> <li>• IFRS and IPSAS support and advice</li> <li>• Technical accounting advice</li> <li>• Financial accounts preparation</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
		performance and financial position at a given date. The scope includes corporate finance, tax, cost, and asset accounting, and related activities	<ul style="list-style-type: none"> <li>• Management accounts preparation</li> <li>• Systems accountancy</li> <li>• Fixed asset management</li> <li>• Corporate valuation advice</li> <li>• Review of financial projections</li> <li>• Acquisition and disposal advice</li> <li>• Leasing options advice</li> <li>• Pensions advice</li> <li>• Banking and treasury work</li> <li>• Credit/debt management</li> <li>• Taxation advice on policy, projects, or programs e.g. VAT, Corporate tax</li> <li>• Due diligence reviews</li> <li>• Financial modeling and model review</li> <li>• Financial and fraud investigations</li> <li>• Forensic accounting advice and investigations</li> <li>• Corporate intelligence</li> <li>• Economic crime</li> <li>• Forensic economics</li> <li>• Anti-Bribery compliance and investigations</li> <li>• Forensic recovery</li> <li>• Forensic technology</li> <li>• Intellectual property and contract governance</li> <li>• Special purpose reviews and investigations</li> </ul>
11	Audit & Assurance/ Forensic Accounting	Consulting advice and support for all aspects of internal controls, audit and assurance	<ul style="list-style-type: none"> <li>• Internal audit</li> <li>• Internal controls management</li> <li>• External statutory audit to full IPSAS or IFRS</li> <li>• Non statutory audit</li> <li>• Public Audit work and Public Interest Reporting</li> <li>• Risk management</li> <li>• Design and implementation of Enterprise Risk Management frameworks</li> <li>• Design and implementation of Compliance, Risk and Governance systems and processes</li> <li>• Corporate Governance and compliance reviews</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
			<ul style="list-style-type: none"> <li>• Grant audit and certification</li> <li>• Sustainability assurance for resource consumption and emissions</li> <li>• Corporate Social Responsibility</li> <li>• Performance audit</li> <li>• IT audit</li> <li>• Project audit</li> </ul>
12	Learning and Development Support	Support in the development of comprehensive training plans and development of related collaterals, training and development services and advice	<ul style="list-style-type: none"> <li>• Assessment of training needs</li> <li>• Development of training programmes, curricula, including specific technical training (e.g. electronic systems operations)</li> <li>• Development of training materials including self-paced training and electronic material, view-lets, generic and bespoke e-learning solutions</li> <li>• Management and leadership training</li> <li>• Coaching and development</li> </ul>
13	Transportation & Logistics Consulting	Consulting advice for all aspects of transportation and internal and external logistics, including the provision of advice and support in the development and implementation of integrated logistics for a significant office move as well as steady state logistical operations in new operating sites	<ul style="list-style-type: none"> <li>• Manage logistics and warehousing</li> <li>• Define logistics strategy and network</li> <li>• Develop and maintain delivery service policy</li> <li>• Plan inbound material flows including returned materials</li> <li>• Management and optimization of warehousing operations</li> <li>• Design and optimization of warehouses</li> <li>• Design, planning, and optimization of internal distribution and materials flows</li> <li>• Outbound transportation management and planning</li> <li>• Fleet management</li> <li>• Manage returns and reverse logistics</li> <li>• Design and management of plant and office relocation projects to include external and intra-office moves</li> <li>• Execution and supervision of moves, including development of end user materials and collateral needed for communications related to the move</li> <li>• Project planning and execution/execution supervision of planned moves</li> <li>• Development of plans, including security, for specialist moves (e.g. classified archives)</li> <li>• Design and development of concept of operations and operating procedures for the logistical operations in the New NATO HQ including for classified materials. Logistical operations include but are not limited to warehouse design and operations, materials distribution, small items store management and delivery</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
			<ul style="list-style-type: none"> <li>• Development of financial analysis of move and logistical operations including customer billing rates, cost recovery mechanisms and service level agreements</li> </ul>
14	Infrastructure and Facilities Operations and Management Consulting	Consulting advice and support for all aspects of infrastructure and facilities operations and management, including start-up and steady state operations of new facilities and sites (e.g., new NATO HQ)	<ul style="list-style-type: none"> <li>• Development of property strategy and long-term vision</li> <li>• Support build or buy decisions</li> <li>• Assistance in the development, construction, and modification of sites</li> <li>• Facilities planning</li> <li>• Advice on the maintenance of non-productive assets                             <ul style="list-style-type: none"> <li>○ People and assets moves and relocations</li> <li>○ Repair workplace assets</li> <li>○ Preventive maintenance for workplace and assets</li> <li>○ Manage security</li> <li>○ Manage facilities operations</li> </ul> </li> <li>• Support the procurement, installation, and maintenance planning for productive assets</li> <li>• Advice and support relating to the disposal of productive and non-productive assets</li> <li>• Management of physical risks</li> <li>• Manage health and safety and environmental management programs</li> <li>• Development of concept of operations and related organizational structures for the operation of the New NATO HQ</li> <li>• Development of financial assessment of the cost of operation of the New NATO HQ including bill back costs calculations and reimbursement mechanisms</li> <li>• Definition of services and related processes for facilities operation and management</li> <li>• Development of schedules of warranties and operations of the physical plant for the New NATO HQ</li> <li>• Definition of service level agreements, space occupancy and usage agreements for multiple occupants (e.g. NATO staff, NATO agencies, National delegations, Partner Nations Delegations)</li> <li>• Definition and implementation support for the organizational structure required for the operation of the New NATO HQ</li> <li>• Support in defining retail, catering, cleaning and general building operations standards and functions</li> </ul>

No	Domain	Short description of Domain	Assignments (Advice may include, but is not limited to, aspects such as:)
			<ul style="list-style-type: none"> <li>• Analysis and recommendation of the appropriate mix of outsourcing, in-sourcing and in-house elements for the operation of the New NATO HQ</li> <li>• Technical support for the stand-up and initial operation of plant and equipment in the New NATO HQ including capacity building during dual operations (Current NATO HQ and New NATO HQ)</li> </ul>
15	Systems and Operations Consulting and Support	Consulting advice and support for all aspects of systems engineering, requirements engineering, systems design, systems strategies, system implementation and support	<ul style="list-style-type: none"> <li>• Strategic systems planning and alignment</li> <li>• Continuity of operations planning and implementation</li> <li>• Systems and operations integration</li> <li>• Alignment of systems to organizational needs</li> <li>• Analysis of regulatory matters related to systems and information security</li> <li>• Definition of business requirements and requirements-driven design</li> <li>• Definition of priorities and measurement of project effectiveness</li> <li>• Systems implementation</li> <li>• Systems configuration management</li> <li>• Systems evolution strategies</li> <li>• Systems change management</li> <li>• Systems support</li> <li>• Systems adoption, migration, and decommissioning including data migration</li> </ul>

**ANNEX B LABOUR CATEGORIES**

This Annex provides a description of a set of generic labour categories which define standard levels of qualification, seniority, and responsibility across MAS domains. The exhaustive list of specific labour categories within the scope of the Agreement results from the combination of the generic descriptions stated below and the MAS domains described in ANNEX A. The Contractor may use its own alternative job titles and labour categories descriptions, if a cross-walk table as specified in the cross-walk table included in the Contractor’s Proposal (if applicable).

No	Labor Category	Functional Description	Experience and Education
1	Director / Partner	Has overall responsibility for the work performed. Possesses experience in both leading and providing technical direction to consulting engagements including engagement with senior Organization’s staff. May manage multiple engagements and/or tasks of high complexity. Directs the completion of projects and applies experience in process analysis and redesign, financial management, performance measurement and management, strategy, risk management, organization design/workforce planning or a related functional business field. Provides primary client interface for key issues related to engagement completion and/or business strategy. Has responsibility for periodic executive level engagement reviews with senior Organization leadership.	<p>Extensive proven experience in their specialist field, in which they are nationally or internationally renowned as an expert. Extensive experience of leading or directing major, complex and business-critical projects, bringing genuine strategic insight. In depth knowledge of the public sector, including international organizations, and of current policy and political issues affecting it. Proven experience in handling projects and contracts in a highly political environment and keen understanding of the issues and conditions affecting the Organization.</p> <p>More than 12 years of relevant work experience, supported by a university graduate level education.</p>
2	Partner or Director Accountant / Auditor (for Domains 9 to 11 in Annex A)	As stated in Labor Category 1 above	<p>A qualified accountant (CCAB, CPA, or equivalent chartered accountant) with typically at least 10 years post qualification experience and at least 12 years relevant financial experience.</p> <p>Extensive experience in their specialist field, in which they are nationally or internationally renowned as an expert. In depth knowledge of IPSAS, or IFRS applied to the public sector, and of public sector, including international organizations, accounting and management practices. Including where appropriate, experience of working to UK Government Internal Audit Standards (GIAS), US Government Audit Standards, or equivalent standards of other NATO member nations or international organizations.</p>

No	Labor Category	Functional Description	Experience and Education
3	Engagement Executive	Has responsibility overall responsibility for the work that must be executed under one or multiple task orders. Has experience in leading consulting engagements and/or tasks of high complexity and providing technical direction/ expertise to the engagement. Directs the completion of projects including risk management, quality management and financial performance. Ensures consistency of approach and results between different awarded project and task orders deliverables. Provides the primary client interface on all specific engagement aspects.	Extensive proven experience in managing complex engagements with public sector clients. Proven experience in one or more of the following areas: business consulting, financial consulting, audit/assurance, strategy, risk management, performance management and/or organizational design/workforce planning. Preferably 10 years or more of relevant work experience. An advanced degree can be a substitute for 1 year of experience; a widely recognized professional certification (e.g. Prince2, PMP, MSP, CPA, CCAB, Six Sigma (Green/Black), CMA) can be a substitute for 1 year of experience. A minimum of undergraduate level education is required.
4	Managing consultant	Directs multiple work streams, and oversees the work of program personnel including, but not limited to, other Program Manager(s), Project Manager(s), Team Lead(s), and Team Member(s). May manage other Program Managers and/or oversee multiple engagements. Directs the completion of projects and applies experience in process analysis and redesign, financial management, performance measurement and management, strategy, risk management, organization design/workforce planning or a related functional business field. Interfaces with the client on engagement and/or program-related issues and directs communication across the program and with key stakeholders.	Substantial experience in their specialist field and in a consultancy role. In depth knowledge of the public sector and international organizations and of current policy and political issues affecting them. Previous experience in project management on at least five major projects, preferably in international organizations or in the public sector and using the PRINCE2 or equivalent method. Typically we would expect a person within this category to have a minimum of 10 years relevant experience. An advanced degree can be a substitute for 1 year of experience; a widely recognized professional certification (e.g. Prince2, PMP, MSP, CPA, CCAB, Six Sigma (Green/Black), CMA) can be a substitute for 1 year of experience. A minimum of undergraduate level education is required.
5	Managing Accountant / Auditor (for Domains 9 to 11 in Annex A)	As stated in Labor Category 4 above	A qualified accountant (CCAB, CPA, or equivalent chartered accountant) with typically at least 8 years post qualification experience and at least 10 years relevant financial experience. Good knowledge of IPSAS, or IFRS applied to the public sector, and of public sector accounting and management practices. Including where appropriate, experience of working to UK Government Internal Audit Standards (GIAS), US Government Audit Standards, or equivalent standards of other NATO member nations or international organizations. A minimum of undergraduate level education is

No	Labor Category	Functional Description	Experience and Education
			required.
6	Principal consultant	Provides specialized experience in process analysis and redesign, financial management, performance measurement and management, strategy, risk management, organization design/workforce planning or a related functional business field. Advises on methodology and team structure while coordinating analyses with other project personnel. Leads research and design activities. Applies technical and analytical approaches to address client issues related to process assessment, strategy and change management for process improvement, organizational transformation, and/or other related areas.	<p>Substantial experience in their specialist field and in a consultancy/training role. Sound knowledge of the public sector or international organizations and current policy and political issues affecting them. Previous experience in project management on at least three major projects, preferably in the public sector or international organizations and using the PRINCE2 or equivalent method.</p> <p>Typically we would expect a person within this category to have a minimum of 8 years relevant experience. A minimum of undergraduate level education is required.</p>
7	Principal Accountant /Auditor (for Domains 9 to 11 in Annex A)	As stated in Labor Category 6 above	A qualified accountant (CCAB, CPA, or equivalent chartered accountant) with typically at least 5 years post qualification experience and at least 7 years relevant financial experience. Sound knowledge of IPSAS or IFRS applied to the public sector, and public sector accounting and management practices. A minimum of undergraduate level education is required.
8	Senior consultant	<p>Under guidance from the Program and/or Project Manager, plans, executes, and controls team activities. Applies management consulting skills to advice on client and engagement issues. May review the work of other Team Leads. Leads Team Members, making assignments and managing quality. Leads individual work streams and acts as liaison between Team Members and Project Management. Prepares and presents team and deliverable status reports in project meetings with the Project Manager and/or client personnel.</p> <p>Contributes to research and design activities. Provides input to methodology. Applies technical or analytical approaches to address client issues related to process assessment and change management for process improvement, organizational transformation, and/or other related areas.</p>	<p>Substantial experience in their specialist field and in a consultancy/training role. Previous experience in project management and working in a wide range of high quality and relevant projects. Familiarity of the issues/problems facing public sector or international organizations.</p> <p>Typically we would expect a person within this category to have a minimum of 5 years relevant experience. A minimum of undergraduate level education is required.</p>

No	Labor Category	Functional Description	Experience and Education
9	Senior Accountant /Auditor (for Domains 9 to 11 in Annex A)	As stated in Labor Category 8 above	A qualified accountant (CCAB, CPA, or equivalent chartered accountant) with typically at least 2 years post qualification experience and at least 5 years relevant financial experience. A minimum of undergraduate level education is required.
10	Consultant	<p>Applies analytical and functional business skills to client and engagement issues. Responsibilities may include developing analytical models and complex spreadsheets to analyze financial or operating data, documenting processes, assessing and improving processes, supporting implementation of corrective action plans, and/or other similar responsibilities.</p> <p>Prepares and delivers briefings, leads discussions, and facilitates workshops and seminars. Applies analytical and evaluative methods and techniques to assess the efficiency and effectiveness of various programs in areas such as operations, management practices, organizational structure, and/or resource management/acquisition approaches.</p>	<p>Notable experience and in-depth knowledge of their specialist field. Evidence of a wide range of consultancy projects and client facing experience. Experience in supporting work in process and organizational design and leading workshops and events within the relevant domain.</p> <p>Typically we would expect a person within this category to have a minimum of 3 years relevant experience.</p> <p>A minimum of undergraduate level education is required.</p>
11	Accountant / Auditor (for Domains 9 to 11 in Annex A)	As stated in Labor Category 10 above	A part qualified accountant (CCAB, CPA, or equivalent chartered accountant) with typically at least 3 years relevant financial experience. A minimum of undergraduate level education is required.
12	Junior consultant	<p>Responsibilities may include analyzing data, documenting work performed, and leading and documenting interviews. Develops and presents solutions and deliverables. May develop and deliver training materials and/or assess and improve business processes and controls.</p> <p>Assists with setting up and maintaining the project management infrastructure including, but not limited to, management and reporting, contractual tracking and reporting, status reporting, human resources and quality management processes, and other related project management activities. May prepare status reports, update project plans, and prepare client billings.</p>	Demonstrable experience in a wide range of projects in their specialist field. Evidence of client facing experience and support services to wider consultancy projects. Typically we would expect a person within this category to have a minimum of 2 years relevant experience. A minimum of undergraduate level education is required.

No	Labor Category	Functional Description	Experience and Education
13	Junior Accountant/Auditor (for Domains 9 to 11 in Annex A)	As stated in Labor Category 12 above	A qualified AAT technician or part qualified accountant (CCAB, CPA, or equivalent chartered accountant) with typically at least 2 years relevant financial experience. A minimum of undergraduate level education is required.
14	Consulting Assistant	Provides support to senior consultants for the execution of activities that do not require extensive experience in a specialist field	No minimum requirement for experience. A minimum of undergraduate level education is required.
16	Office Assistant	Manages and provides project related documentation and provides administrative support (e.g. arranges meetings, arranges on-boarding for contractor staff, manages team calendars, and provides other administrative support).	No minimum requirement for experience. A minimum of a high school diploma or equivalent is required.

**ANNEX C CONTRACTOR'S TEAM PLAN – PRODUCT DESCRIPTION**

<b>1. PRODUCT ID</b>	MAS.001
<b>2. PRODUCT TITLE</b>	CONTRACTOR'S TEAM PLAN
<b>3. BASELINE, STATUS AND RELEASE DATE</b>	VERSION 1.0, dated 6/07/2011
<b>4. PURPOSE</b>	This document identifies the products, activities, resources, controls, and other critical elements required for the execution of the contract. It is used as the basis for project management and quality control throughout the execution of the contract.
<b>5. COMPOSITION</b>	<p>The Team Plan document shall be structured as follows:</p> <ol style="list-style-type: none"> <li>1. Description. A brief description of what the plan covers and of the proposed approach;</li> <li>2. Proposed Approach and Methodology. Description of the approach and methodology to be implemented in order to the deliver the products and services specified in the contract.</li> <li>3. Quality Plan. Specifying: <ol style="list-style-type: none"> <li>a. The quality control methods to be used for each major product identified in the Team Plan;</li> <li>b. The timing and resources for each quality test or check.</li> </ol> </li> <li>4. Plan Prerequisites. Containing any fundamental aspects which must be in place at the start of the contract and which must remain in place for the approach to succeed.</li> <li>5. External Dependencies. Identifying any known dependencies.</li> <li>6. Tolerances. Proposed schedule, cost, and quality tolerances.</li> <li>7. Plan Monitoring and Control. Explanation of how the Contractor intends to control and monitor the execution of the plan.</li> <li>8. Reporting. Proposing reporting requirements associated with the execution of the plan and in line with the requirements specified in the prospective contract.</li> <li>9. Planning Assumptions. Assumptions that have been considered in the development of the proposed plan and schedule.</li> <li>10. Graphical Plan. Including: <ol style="list-style-type: none"> <li>a.. Gantt chart showing identified resources, activities, start and end dates</li> <li>b. Product breakdown structure</li> <li>c. Product flow diagram</li> <li>d. Activity network</li> <li>e. Financial budget</li> <li>f. Table of resource requirements</li> </ol> </li> <li>11. Risk Assessment</li> <li>12. Product descriptions for any major products identified in the product breakdown structure which are not described in the SOW</li> </ol>
<b>6. DERIVATION</b>	<ol style="list-style-type: none"> <li>1. Product Specifications included in the SOW</li> <li>2. Contractor's proposal</li> <li>3. NATO Project Manager</li> <li>4. NATO Senior User</li> </ol>
<b>7. STANDARDS</b>	PRINCE2 standards and product descriptions or a similar methodology
<b>8. FORMAT</b>	According to template agreed with NATO Project Manager. Electronic version in MS Office 2007 and MS Project 2007 and hardcopy versions in DIN-A4 and DIN-A3 (for the graphical part of the plan)
<b>9. AUDIENCE</b>	NATO Project Manager
<b>10. QUALITY CRITERIA</b>	<ol style="list-style-type: none"> <li>1. The document meets this product specification</li> <li>2. The document is clear and understandable for the intended audience</li> <li>3. The plan is achievable</li> </ol>

	<p>4. The plan supports NATO's intended objectives and complies with contract requirements</p> <p>5. The plan takes into account any constraints of time, resources, and budget</p>
<b>11. QUALITY METHOD</b>	<p>PRINCE2 Quality Review Technique.</p> <p>Review Chairperson: NATO Project Manager</p> <p>Reviewers: at least one additional representative from NATO to be designated by the NATO Project Manager</p>
<b>12. NOTES</b>	<p>The team plan submitted as part of the Contractor's proposal may be used as a basis for the development of this product</p>

**ANNEX D SOW – PRODUCT DESCRIPTION**

<b>1. PRODUCT ID</b>	MAS.002
<b>2. PRODUCT TITLE</b>	TASK ORDER – STATEMENT OF WORK
<b>3. BASELINE, STATUS AND RELEASE DATE</b>	VERSION 1.0, dated 6/07/2012
<b>4. PURPOSE</b>	The purpose of the SOW is to specify the tasks and deliverables to be performed and delivered by the Contractor. The SOW should completely describe all work requirements such as personnel qualifications, working hours, work location, installation requirements, NATO furnished property, quality assurance, acceptance criteria, and specific tasks and performance standards. Some of the sections specified below may be omitted for a particular engagement (this is indicated by the term “Optional”).
<b>5. COMPOSITION</b>	<p>The SOW document shall be structured as follows:</p> <p>Table of contents List of Figures List of tables</p> <ol style="list-style-type: none"> <li>1. General</li> <li>1.2. Background Information</li> <li>2. Definitions and Acronyms <ol style="list-style-type: none"> <li>2.1. Standard Definitions (Optional)</li> <li>2.2. Technical Definitions Peculiar to this SOW (Optional)</li> </ol> </li> <li>3. Contractor’s Personnel <ol style="list-style-type: none"> <li>3.1. Personnel Qualifications</li> <li>3.2. Personnel Availability Requirements</li> </ol> </li> <li>4. Physical Security (Optional)</li> <li>5. Quality Control (Optional)</li> <li>6. Quality Assurance <ol style="list-style-type: none"> <li>6.1. Quality assurance/performance evaluation system (Optional)</li> <li>6.2. Performance Evaluation Meetings (Optional)</li> </ol> </li> <li>7. Hours of Operation (Optional) <ol style="list-style-type: none"> <li>7.1. Normal hours (Optional)</li> <li>7.2. Recognized holidays (Optional)</li> <li>7.3. Emergency services (Optional)</li> </ol> </li> <li>8. Conservation of Utilities (Optional)</li> <li>9. NATO Furnished Property and Services</li> <li>10. Contractor Furnished Property and Services</li> <li>11. Contractor Specific Tasks</li> <li>12. Applicable Publications and Forms (Optional)</li> </ol> <p>Annexes. Other type of information required for the performance of the task order or to price the effort associated with the execution of the services or works described in the SOW such as a product descriptions, acceptance criteria, project schedules, etc.</p>
<b>6. DERIVATION</b>	<ol style="list-style-type: none"> <li>1. NATO IS Procurement Manual</li> <li>4. NATO Senior User</li> <li>5. NATO Project Manager</li> <li>6. NATO Procurement Officer or his/her designee</li> <li>7. NATO Quality Expectations</li> </ol>
<b>7. STANDARDS</b>	PRINCE2 standards and product descriptions or similar methodology EM(2011)0390 “NATO IS Procurement Manual”, dated 17 June 2011
<b>8. FORMAT</b>	According to template agreed with NATO Project Manager. Electronic version in MS Office 2007 and MS Visio 2007 (for diagrams) Hardcopy versions in DIN-A4 and DIN-A3(for big diagrams) Diagrams must be in color.
<b>9. AUDIENCE</b>	NATO and Contractor personnel
<b>10. QUALITY</b>	1. The document substantially meets this product specification and the requirements

<b>CRITERIA</b>	<p>specified in the standards specified above</p> <p>2. The document is clear and understandable for the intended audience</p> <p>3. The SOW supports NATO's intended objectives and is consistent with the requirements of the Contract.</p> <p>4. Technical, operational, resource, and organizational requirements are clearly identified</p>
<b>11. QUALITY METHOD</b>	<p>PRINCE2 Quality Review Technique or similar methodology.</p> <p>Review Chairperson: NATO Project Manager</p> <p>Reviewers: at least one additional representative from NATO and a third one from the NATO Procurement Service.</p>
<b>12. NOTES</b>	<p>The guidance provided in NATO IS Procurement Manual must be followed in order to develop this product.</p>