

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF FINLAND

CONCERNING RECIPROCAL PRINCIPLES IN DEFENSE PROCUREMENT

The Government of the United States of America and the Government of Finland, hereinafter referred to as the Governments,

--bearing in mind the policy of neutrality on the part of Finland and the membership of the United States (U.S.) in the North Atlantic Treaty Organization;

--having regard to the friendly relations existing between them;

--seeking to achieve and maintain fair and equitable opportunities for each side to participate in the defense procurement programs of the other;

--desiring to make the most cost-effective and rational use of the funds allocated to defense;

--desiring to promote the exchange of defense technology consistent with their respective national policies;

--realizing the necessity to remove discriminatory barriers to purchases of supplies or services to the extent mutually beneficial and consistent with law and regulation;

enter into this Memorandum of Understanding (MOU) according to the terms and guiding principles set out below.

Article I
Applicability

This MOU covers procurements by the U.S. Department of Defense and the Defense Ministry of Finland of

1. Supplies and related services
2. Research and Development

subject to exceptions required by law, regulation, or national policy.

This MOU does not cover:

1. Construction
2. Construction materials.

Article II
Principles

Consistent with its laws and regulations, each Government will:

1. Remove barriers to procurement or coproduction at the prime and subcontract levels of an item of defense equipment that has been produced in the other country. When a firm of the other party submits a bid or offer which would be the low responsive and responsible offer but for the application of any buy-national requirements, both parties agree to process waiver requests of any buy-national requirement or restrictive procurement regulations.
2. Utilize contracting procedures that, as a minimum, allow all responsible sources of both parties to compete.
3. Exchange appropriate information on implementing regulations, policy guidance, and administrative procedures.
4. Provide information regarding requirements and proposed purchases in accordance with Article V to ensure adequate time for industries of the other country to qualify for eligibility and submit a bid or proposal.

5. Ensure that technical data and defense equipment made available for use by industry of the parties pursuant to this MOU is not used for any purpose other than for bidding on, and performing defense contracts covered by this MOU, except as authorized by the holders of rights to the data or equipment. In no event shall such technical data and equipment be transferred to a third country or any other transferee without the precise written consent of the Government of the country from which the data or equipment was made available.

6. The Governments will make every effort to avoid commitments that conflict with the spirit and letter of this MOU. If such conflicts should occur, the Governments agree to consult to seek resolution without impairment of this MOU.

Article III Offsets

The Governments agree to discuss measures to limit the adverse effects of offsets on the defense industrial base of each country.

Article IV Customs and Duties

To the extent authorized by laws and regulations, the Governments agree not to include customs and duties in the evaluation of bids, and to waive charges for customs and duties for purchases to which this MOU applies.

Article V Procedures

To the extent practicable, each Government will publish or have published, in a generally available periodical, a notice of proposed purchases in accordance with national rules or Departmental/ Ministerial provisions on publication thresholds. The Governments will notify one another any time threshold levels change. The above mentioned notice will contain:

1. Subject matter of the contract;

2. Time limits set for the submission of offers or an application for solicitation; and
3. Addresses from which solicitation documents and related data may be requested.

On request, the Governments shall provide copies of solicitations for proposed purchases. A solicitation shall constitute an invitation to participate in the competition and shall contain the following information:

1. The nature and quantity of the products or services to be supplied;
2. Whether the procedure is by sealed bid, negotiation, or some other form;
3. The basis on which the award is to be made, for example, lowest offered price, life-cycle cost, quality factors, or otherwise;
4. Delivery date;
5. The address and final date for submitting offers as well as the language or languages in which they must be submitted;
6. The address of the agency awarding the contract and any information required by suppliers;
7. Technical requirements, warranties, and related information required from suppliers;
8. Economic requirements, financial guarantees, and related information required from suppliers;
9. The amount and terms of payment of any sum payable for solicitation documentation;
10. Any other conditions for participation in the competition; and
11. The identity of the contact point to whom complaints may be brought regarding the procurement process.

Solicitations shall allow interested suppliers adequate time for response, consistent with user needs.

Competing suppliers shall be promptly notified as to the successful offeror.

Upon request, suppliers shall promptly be provided pertinent information concerning the reasons why they were not allowed to participate in the procurement process or were not awarded a contract.

A contact point shall be identified for receiving and handling of complaints arising in connection with any phase of the procurement process covered by this MOU.

Article VI Industry Participation

Each Government will be responsible for informing the relevant industries within its country of the existence of this MOU. The Governments may issue appropriate implementing guidance.

Similarly, the Governments will inform their respective procurement and requirement offices concerning the obligations of this MOU. However, it is understood that primary responsibility for finding business opportunities will rest with the industry of each country.

Article VII Security

Any classified information furnished by either Government or generated in connection with procurements subject to this agreement shall be protected in accordance with the United States - Finland General Security of Military Information Agreement of October 11, 1991, and the Supplemental Agreement thereto.

Both Governments will take all necessary steps to ensure the industries in their countries will comply with the regulations pertaining to security and safeguarding classified information.

Article VIII
Implementation and Administration

The Under Secretary of Defense (Acquisition) will be the responsible authority in the U.S. Government for the implementation of this MOU. The Director General of Central Department, Ministry of Defense, will be the responsible authority of the Government of Finland for implementation of this MOU. Each Government will designate points of contact to represent implementation authorities. Meetings and consultations to discuss issues and possible problems arising under this MOU will be called on an as needed basis.

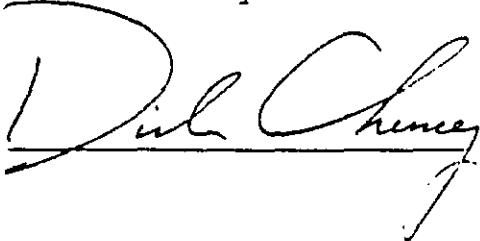
Article IX
Duration and Termination

This MOU will enter into force on the date of later signature. It will remain in force for five years, and will be automatically extended for successive five-year periods unless six month's advance notice of termination is given by either Government.

If, however, either Government considers it necessary for compelling national reasons to discontinue its participation under this MOU before the end of the five-year period, written notification of its intention will be given to the other Government six months in advance of the effective date of discontinuance. In this connection, although the MOU may be terminated by the Governments, any contract entered into consistent with the terms of this MOU shall continue in effect, unless the contract is terminated in accordance with its own terms.

Done at Washington this 24th day of October, 1991, in duplicate in English.

For the Government of the
United States of America
The Secretary of Defense



For the Government of
Finland
The Minister of Defense

