

**NORTH ATLANTIC TREATY ORGANISATION (NATO)
REQUEST FOR PROPOSAL
RFP – 2012/08**

NOR SYSTEM EVOLUTION PROJECT



**PROJECT PORTFOLIO MANAGEMENT (PPM) SYSTEM
ACQUISITION, IMPLEMENTATION AND SUPPORT
SERVICES**

(The native version of this document can be obtained upon request to the point of contact designated in Section 9 of Part I)

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**NORTH ATLANTIC TREATY ORGANISATION (NATO)
REQUEST FOR PROPOSAL**

RFP – 2012/08

**NOR SYSTEM EVOLUTION PROJECT –
PPM SYSTEM ACQUISITION, IMPLEMENTATION AND
SUPPORT SERVICES**

**PART I – INSTRUCTIONS FOR THE PREPARATION AND
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 Proposal (RFP) is to award a contract for the acquisition, implementation and support services of a Project Portfolio Management (PPM) system at the Headquarters of the North Atlantic Treaty Organisation (NATO HQ). The project is officially named "NOR System Evolution". The Contractor shall provide a range of products and services as described later, that are required for the acquisition and implementation of the solution, including the conversion of data from legacy systems, testing and training, and the provision of post implementation support for the system.

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 As part of a NATO Resource Reform process, the NATO IS intends to procure a Project Portfolio Management (PPM) System to support the business processes of the NATO Office of Resources (NOR). This Office is responsible for the overall management and monitoring of NATO military common funded resource programmes.

1.2.3 The objective 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.

1.2.4 Further information about the Organisation, the scope of work and the specific objectives sought through this procurement action can be found in PART IV – STATEMENT OF WORK (SOW) of this RFP.

1.3 DEFINITIONS

1.3.1 The term "Contractor" refers to the Bidder to which the contract 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 the Bidder being allowed to revise its 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 "NATO" refers to the North Atlantic Treaty Organisation.

1.3.5 The term "Organisation" refers to the North Atlantic Treaty Organisation which is the legal entity that will be bound by the provisions of this solicitation of offers.

1.3.6 "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.

- 1.3.7 “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.
- 1.3.8 Additional terms and their meaning are specified in the clauses entitled “Definitions” of the prospective Contract (clause 2 in ANNEX L to this Part I, clause 1 in Part II, and clause 2 in Part III) and in the Glossary of Definitions and Acronyms in APPENDIX 3 to ANNEX E to 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

- 2.2.1 ANNEX C and APPENDIX 1 to ANNEX E to Part IV of the RFP require Bidders to complete a Non-Disclosure Agreement (NDA) before the Organisation will release them. The NDA is provided in ANNEX N to Part I.

2.3 BIDDERS' ELIGIBILITY AND RESPONSIBILITY

- 2.3.1 This RFP is restricted to firms from participating NATO member nations. In addition to being registered with the Organisation's Procurement Service or through nomination by their national delegations to NATO, Bidders must comply with the following minimum requirements:

- 2.3.1.1 Bidder's key personnel proposed for the performance of the contract must have the minimum qualifications stated in the attached SOW. All key personnel must be in possession of a NATO SECRET security clearance as required in ANNEX B to Part IV at the time the proposal oral presentation, performed as part of the scripted demonstration phase, specified in paragraph 8.1.2.1 below. Furthermore, all personnel that will perform work at NATO facilities or who will have access to classified information or who will have access to NATO networks hosting the PPM solution must be in possession of a valid Personal Security Clearance (PSC) at the level of NATO SECRET level at least 30 days before beginning work on the project.

- 2.3.1.2 The Bidder must have successfully implemented a minimum of 5 (five) projects, out of which at least 3 (three) projects must have been:

2.3.1.2.1 Similar in size, scope, and complexity to the NOR System Evolution project;

2.3.1.2.2 Implemented at public sector or international organisations located in any of the 28 NATO member Nations;

2.3.1.2.3 Implemented in the last 5 (five) years;

2.3.1.2.4 Provided as verifiable reference to NATO, as stated in paragraph 4.2.5, 5) below.

2.4 CONFLICTS OF INTEREST (COI) AND CONTRACTING EXCLUSIONS

- 2.4.1 The contract does not establish any particular contracting exclusion with respect to future NATO business opportunities. Notwithstanding this, the generic COI policies specified in Section 3.7 of the NATO IS Procurement Manual referred to in clause 2.1.1 above will be fully applicable to this procurement.

3 PROSPECTIVE CONTRACT

3.1 CONTRACT SCOPE

- 3.1.1 The scope of services is specified in the attached Statement of Work (Part IV to RFP). The SOW establishes the detailed scope of the work and services to be provided under the Contract, the objectives intended by the Organisation, the specific deliverables and work requirements, and any relevant constraints and prerequisites for the provision of the products, works, and services stated in the Contract.
- 3.1.2 The PPM system scope and requirements are specified in the attached System Requirements Specifications (ANNEX E to Part IV of RFP). The SyRS establish the detailed functional, interface, compliance and technical requirements for the PPM solution.
- 3.1.3 The prospective contract type is a combination of the following types of compensation arrangements:
- 3.1.3.1 A firm fixed-price type which covers the delivery of products and services required for acquisition and implementation of the NOR System Evolution PPM System;
- 3.1.3.2 A number of firm fixed-price purchase options covering additional COTS software licenses and the delivery of products and services required for the system support and on-site functional and technical support of NOR System Evolution PPM System;
- 3.1.3.3 An indefinite delivery, indefinite quantity type covering additional products or services similar to the requirements specified in the SOW, which may be required by the Organisation but cannot be accurately specified at the time of solicitation.

3.2 PERIOD OF PERFORMANCE

- 3.2.1 Subject to other Contract provisions, the period of performance under the Contract will be from the date of Contract award through the end of the Contract duration established in the prospective Contract (see 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 "Invoices" 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 initialled 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 presenting different basic approaches. Each proposal submitted will be separately evaluated as if it was submitted by another Bidder. In this case a single proposal package may be submitted where the elements which are common to all approaches or scenarios such as the required certificates, the corporate information, or the past performance references, would be unique and only those elements that change from one scenario or approach to the other will be prepared specifically for each alternative. 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 official holidays.

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 entire 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 limitations established in the stated paragraph will not be evaluated by the Organization. Proposal documentation that is subject to the stated page limitations must be written on one-side 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 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 and a copy of the checklist in ANNEX O to Part I properly filled out.
 - 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 Part I. 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) Origin of Supplies and Services Certificate. Use the template provided in ANNEX B to Part I.
- 5) Past Performance data. Bidders must provide the following lists of past performance data:
 - a. At least 5 (five) successfully implemented projects, out of which at least 3 (three) projects must have been:
 - i. Similar in size, scope, and complexity to the NOR System Evolution project;
 - ii. Implemented at public sector or international organisations based in any of the 28 NATO member Nations;
 - iii. Implemented in the last 5 (five) years;
 - iv. Provided as verifiable reference to NATO.
 - b. Bidders may provide a consolidated list of past performance references that meets the requirements specified in paragraph a. above.
 - c. If more than 1 of the key personnel positions are subcontracted or more than 20% of the labour hours/work required for the successful completion of NOR System Evolution project are performed by a single subcontractor, Bidders must provide the reference of at least 2 projects where the subcontractor has performed work substantially similar to the work that the subcontractor will perform under the prospective contract. These subcontractors' past performance references are required in addition to the Bidder's past performance reference defined in 5a above and will be used to supplement the evaluation of the Bidder's past performance.
 - d. Lists of past performance references must specify for each contract/project the following details:
 - i. Reference of the contract/project (if any);
 - ii. Project start date or contract effective date;
 - iii. Date completed;
 - iv. Description of the project (i.e. size of the company / organisation, business sector, etc.) and of the services rendered;
 - v. Contract value;
 - vi. Customer;
 - vii. Customer Point Of Contact (POC) for verification purposes, specifying name, telephone, fax, and e-mail;
 - viii. Certification that the POC has been notified that the Organization may contact them;
 - ix. A clear explanation of the role played by the Bidder (or subcontractors, in accordance with paragraph c. above) on the referenced project;
 - x. PPM solution implemented, including version, list of modules, functionality.
 - e. Bidders must use the template provided in ANNEX I to Part I and, where they need to add additional information that cannot be inserted in the fields of the form, Bidders may include not more than 1 (one) additional page per reference to provide the additional information.
- 6) 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).
- d. A statement on whether or not the Bidder's organisation 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.

7) Corporate Capabilities. This document shall include the following:

- a. A description of the overall organisational 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 organisation from the Project 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 organisation but not directly under the authority of the Project Manager. The Bidder shall describe the process by which the Project 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. The Bidder must limit the size of this documentation to a total of 3 pages.

8) Schedule of Exceptions. Bidders shall specify exceptions or deviations from the terms and conditions of the prospective Contract (use the template in ANNEX C to Part I). 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.

9) Management Method and Project Planning and Control Documentation. Bidders must provide the following documentation to describe the proposed management approach:

- a. Management Methods:
 - i. The Bidder must clearly describe the management approach to be applied including the plan to organize, direct and control and deliver the efforts to be performed on the project.
 - ii. The Bidder must describe the roles and responsibilities of the Contractor project team members as they relate to team coordination, communication, management control, security compliance, and reporting. In describing the team organisation, include: the responsibilities, lines of authority, Contractor management staff including identification of a primary liaison for each area or work, the flow of information and communication interface between the Contractor

project team and the Organisation.

- iii. The Bidder must include in the management methods a clear governance structure for the project between the Organisation and the Contractor and a clear escalation process for any project related disagreements (e.g. technical, functional, and commercial).
- iv. The Bidder must include an initial Project Plan clearly structured to indicate proposed project implementation phases (specifying start and end dates), milestones, required deliverables (as per section 9.4 in the SOW) and main project activities within each phase (specifying start and end dates), and the overall critical path. The project plan must include a balanced allocation of resources from both the Bidder as well as the Organisation to each activity or work package. Detailed work packages are not required at this stage but the plan must be aligned with the PRINCE2 Project Plan product description.
- v. The Bidder must describe the management methodology used to manage any Subcontractors (if applicable).

b. Management Controls:

- i. The Bidder must describe how they will plan, estimate, schedule, monitor, measure, and administer their work, as well as meet the delivery requirements of the project. The management plan must be aligned with PRINCE2 standard project management methodologies and product descriptions.
- ii. The Bidder must describe how they would handle scope changes and manage changing priorities to meet schedule requirements. All scope changes must be approved by the Organisation's Project Manager.
- iii. The Bidder must describe the approach they propose for the cost-effective management of the project including how it will monitor and control costs to ensure compliance with the authorized budgets.
- iv. The Bidder must describe the methods they will use to ensure project coordination, identification and control of risks, and communication and implementation of risk mitigation and issue resolution. Periodic structured status reports with defined metrics that track progress against defined milestones and deliverables are required for the duration of the Contract.

c. The Bidder must limit the size of this documentation to a total of 10 pages. This page limitation does not apply to the following components of the project plan requested in 9 a.iv, above:

- Project-level Gantt chart;
- Project-level Product Breakdown Structure;
- Project-level Product Flow Diagrams;
- Project-level Activity Network;
- Project-level table of resource requirements.

10) Project Financial Reporting and Cost Tracking. The Bidder must provide a plan and schedule for cost tracking and reporting with project costs for all types of work and expenditures reported on a monthly basis or as needed. The plan must specify any assumptions made by the Bidder. Periodic structured financial status reports with defined metrics that track progress against budgets and milestones are required for the entire duration of the Contract. The Bidder must limit the size of this documentation to

a total of 3 pages.

- 11) Software Provider Relationship Approach. Should the Bidder be an implementation partner different than the vendor of the proposed PPM solution, the Bidder must propose an established and verifiable plan for cooperating with the vendor of the proposed PPM solution; the plan must include any existing formal arrangements between the Bidder and vendor and escalation paths for defects or issues. The Bidder must limit the size of this documentation to a total of 2 pages.
- 12) Quality Assurance Plan. The Bidder must develop and propose a quality assurance plan for monitoring and assessing the performance of the project throughout its life. The quality assurance plan must identify key quality indicators and evaluation criteria to be monitored periodically during the entire duration of the project. The quality assurance plan must address at a minimum the quality control process for all the project deliverables and documents; defect remedy process for deliverables and documents; defect remedy timelines; qualitative and quantitative quality indicators (e.g. “balanced scorecard”). The Bidder must limit the size of this documentation to a total of 3 pages.
- 13) Solution Implementation Approach and Methodology. The Bidder must develop and propose a solution implementation approach and methodology for the delivery of the requirements of the NOR System Evolution PPM project. The proposed plan must include at least the following:
 - a. Alignment of PPM System Functionalities with System Requirements and Business Processes. The Bidder must describe the approach and methodology for addressing the System Requirements Specifications – SyRS (ANNEX E to Part IV) within the business processes context (APPENDIX 1 to the SyRS in Part IV). This in order to take full advantage of the “out-of-the-box” capabilities of their proposed PPM solution and to eliminate or minimize the need for software modifications and customization. The Bidder must respond to each individual requirement included in PPM System Requirements Specifications – Excel file (APPENDIX 2 to the SyRS in Part IV).
 - i. The Bidder must describe how the gap analysis between the requirements of the Organisation and the capabilities of their proposed PPM solution will be developed, by whom (i.e. the Contractor or the Organisation) and how any identified gaps will be addressed and closed within the Go-live timelines specified in section 1.5 of the SOW (Part IV to RFP).
 - ii. The Bidder must include methodology product descriptions aligned with PRINCE2 (including *interalia* applicable acceptance criteria) for the main project deliverables as outlined in the List of Deliverables included in SOW (Part IV to RFP).
 - b. Phased Implementation and Rollout. The Bidder must present their recommended approach for the phased implementation and rollout of PPM solution capabilities, in relation to the functional areas described in the SyRS, based on their experience and specifics of their proposed PPM solution. The scope of each implementation phase and associated rollout must be sufficiently detailed so as to allow the Organisation to understand which PPM system functionalities will be delivered within each proposed phase of the implementation.
 - c. System Administration Manpower effort. The Bidder must provide their recommended manpower requirements and skill sets for PPM system administration (both functional and technical i.e. system and database).
 - d. The Bidder must limit the size of the documentation requested in paragraphs a. to c. above to a total of 10 pages. This page limitation excludes the Excel file in

APPENDIX 2 to ANNEX E to Part IV in a. and the PRINCE2 related product descriptions requested in a.ii.

- 14) Training Approach. The Bidder must describe their training approach and demonstrate they have capabilities and resources to provide training and to produce training manuals / materials that integrate business processes and system functionalities. The Bidder must describe its strategy and sequence for training needs analysis and user training delivery including but not limited to:
- a. Training methodology.
 - b. Proposals for identifying the skills baseline for each User Type and determining their training prerequisites.
 - c. Proposals for training delivery types by the following criteria:
 - i. Initial, continuation, new joiner (if different from initial);
 - ii. Individual or group;
 - iii. Classroom or on-line;
 - iv. Self-paced, taught, tutored, or coached (i.e. train the trainer).
 - d. Proposals for types of training (e.g. technical, functional, end user).
 - e. Proposals for training duration for each User Type and training type. This should propose the expected time commitment from PPM user community (i.e. days/hours of training).
 - f. Proposals for the assessment of skills level achieved for each User Type and each training type.
 - g. Proposals for the minimum training required for each category of User Type to include, training objectives, activities breakdown, schedule and timelines.
 - h. The Bidder must provide an Initial Training Plan. The training plan must be synchronized with the proposed implementation and deployment plan for the proposed PPM solution.
 - i. The projected number of users by User Type across the PPM solution is included in the table shown in the System Requirements Specifications (ANNEX E to Part IV of RFP). These projections are approximate and are only presented as an indicative measure to aid Bidders with their planning and pricing.
 - j. The Bidder must provide and describe a methodology to assess the effectiveness of the delivered training and related training materials throughout the duration of the Contract.
 - k. The Bidder must limit the size of this documentation to a total of 5 pages.
- 15) Technical and Application Architecture. The Bidder must present in detail the proposed technical systems architecture for implementing their proposed PPM solution taking into account the Organisation's technical environment (ANNEX C to Part IV), and security, access control and technical requirements (SyRS included in ANNEX E to Part IV of RFP). The proposed system architecture must include but not be limited to: technical architecture, capacity planning proposal, environment proposal (e.g. development / testing, training / pre-production and production), infrastructure planning as well as requirements for the technical infrastructure in line with the technical environment.

The Bidder must also provide designs that detail the proposed application/functional architecture for their proposed PPM solution that comply with the target technical architecture and the technical environment, outlined in ANNEX C to Part IV. Compliance with this technical architecture is mandatory. Bidders must note that NATO

HQ uses either MS SQL or Oracle for database management systems; the Bidder must recommend and clearly justify one or the other system as part of their application architecture proposal for the proposed PPM solution.

To aid Bidders in understanding the technical environment of the Organisation, the target technical architecture will be provided as ANNEX C to Part IV (Network Realignment & Robustness - NR2 - Target Architecture). The stated Network Realignment & Robustness - NR2 - Target Architecture document is provided for an information purpose only and it is intended only for the use of the Bidders. The document is current as of the date of issue and is subject to revisions or modifications without notification. Bidders are expressly forbidden to distribute or disseminate ANNEX C to the SOW to any entities or persons other than the Bidder. In order to receive a copy of this document interested Bidders have to submit a formal request to the Organisation along with a completed and signed copy of the Non-Disclosure Agreement (NDA) provided in ANNEX N to Part I.

- 16) Data Conversion and Migration. The Bidder must include a high-level data conversion and migration plan that meets the following requirements:
- a. The Bidder must describe the approach used for the development of a data conversion and migration strategy.
 - b. The Bidder must describe the methodology for the design, development, testing, execution and management of the conversion of master and transactional data.
 - c. The Bidder must describe the methodology used to ensure the quality and completeness of the executed data conversion including any tools required/used to support the methodology.
 - d. The Bidder must describe any third party tools and/or Subcontractors that will be used in the migration activities.
 - e. The Bidder must provide specific details about the proposed data conversion approach for each implementation phase rollout.
 - f. The Bidder must limit the size of this documentation to a total of 5 pages.
- 17) Testing. The Bidder must describe the strategy and execution plan for the testing of the configured PPM solution to be implemented and corresponding end-to-end testing. The proposed testing strategy must include but not be limited to: unit testing, system testing, security testing, integration testing, performance testing, data migration testing, operational acceptance testing, user acceptance testing and production acceptance testing. The proposed testing strategy must include but not be limited to: NATO resources required including staff, defect logging/reporting including any software solution used to support defect management, defect resolution timeframes based on complexity, automated testing (if any is proposed), defect escalation path and defect management and governance. The Bidder must limit the size of this documentation to a total of 5 pages.
- 18) Cut-over and Support. The Bidder must describe the approach and methodologies used to provide implementation and production (post go-live) support to end users (technical and functional), as well as support for subsequent releases. The approach must include but not be limited to:
- a. The Bidder resources and NATO resources required (including staff, incident logging/reporting);
 - b. Any required software solution used to support incident management;
 - c. Indicative incident resolution timeframes based on complexity;
 - d. The proposed incident escalation path:

- e. The proposed approach to the management and governance of incidents, and
 - f. Proposed Service Level Agreement or Operational Level Agreement for the provision of the support services specified in the Contract (clause 12 of the Special Terms and Conditions and section 9.3 of the SOW).
 - g. The Bidder must limit the size of this documentation to a total of 5 pages. This page limitation excludes the proposed Service Level Agreement or Operational Level Agreement requested in f. above.
- 19) List of Bidder's Personnel proposed for the performance of the Contract including both Key Personnel and non-Key Personnel. Backup personnel must be specified for every Key Personnel Position. Bidders must specify name, nationality, Personal Security Clearance, intended position, and role (i.e., primary or backup) for the proposed personnel (use the template in ANNEX D to Part I). Bidders may add as many rows as necessary to include all the personnel that will perform work under the contract.
- 20) Resumes of Bidder's Key Personnel proposed for the performance of the contract. Key Personnel must be enlisted in ANNEX D to Part I. Minimum Qualifications for each of the Key Personnel of the Contractor's staff are provided at Section 3.1 and ANNEX B to the SOW. Key personnel resumes must comply with the following requirements:
- a. Resumes submitted must show that key personnel meet the requirements established in Section 3.1 and ANNEX B to Part IV.
 - b. Copies of security clearances (or equivalent certifications) and certificates of relevant education must be attached to these resumes.**
 - c. The total size of each resume shall not exceed 3 (three) one-sided pages (without copies of clearances, certificates, and clients' statements) and must include at a minimum the following information:
 - i. First name, last name;
 - ii. Nationality (or nationalities);
 - iii. Proposed function, or role;
 - iv. Dates of Employment;
 - v. Employment relationship with the Bidder organisation (e.g. full time staff, temporary staff, contractor, subcontractor);
 - vi. Education (including, in reverse chronological order, universities and/or technical colleges attended (with dates), degree(s)/certification(s) received, major field(s) of study);
 - vii. Experience (including, in reverse chronological order, area(s) of work in which a person is qualified, company and title of position, experience working in relevant public sector organisation);
 - viii. A concise summary description of major duties and responsibilities for each job relevant to the proposed position. Address specific information on the experience and demonstrated performance including accomplishment of continuous improvements relevant to the proposed position. List leadership positions, and type and number of personnel supervised;
 - ix. Describe specifically how your personnel's previous work experience is relevant to NOR System Evolution project;
 - x. Professional affiliations and qualifications, product or service certifications, awards, and honours.
- 21) Labour contracts or letters of commitment for the proposed Key Personnel. These documents must show the commitment of employees to work for the Bidder for the

whole duration of the Contract, if the Contract is eventually awarded to the Bidder.

- 22) List of Subcontractors (if any) which the Bidder intends to use for the performance of the Contract (use the attached template in ANNEX E to Part I). The Bidder must certify that it will not subcontract for the entire duration of the contract more than 2 of the key personnel positions or more than 40% of the labour hours/work required for the successful completion of NOR System Evolution project. This restriction does 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. Bidders must note the subcontracting restriction specified in paragraph 2.3.1 above.
- 23) Bidder's Background Intellectual Property Rights (IPR). Bidders must disclose any Background IPR that they intend to use for the performance of the Contract. Bidders must use the template provided in ANNEX G to Part I.
- 24) Subcontractor and Third Party Background IPR. Bidders must disclose any Subcontractor and Third Party Background IPR that they intend to use for the performance of the Contract. Bidders must use the template provided in ANNEX H to Part I.
- 25) Conflict of Interest (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 organisational 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 F to Part I.
 - 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 28 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 Organisation, 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?
 2. Has the Bidder, or any of its affiliates, or subcontractors, provided to the Organisation 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 or business relationships, 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.

26) 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 templates (ANNEX J to Part I).

In addition to the pricing for the specified number and type of users in Section A of the Price Schedule, the Bidders are required to provide purchase options for an additional number of 5 Super-users and 100 Standard users respectively (Section B).

The list of Deliverables included in Section C of the Price Schedule is by no means exhaustive and Bidders are encouraged to include in their Proposal descriptions of the additional Deliverables typically provided by their implementation methodology and which are considered needed for the successful implementation of the PPM solution. Bidders must also identify, timetable, and price any actions or equipment needed to remedy any aspect of the Organisation's ICT Environment that is considered unsuitable for the implementation and operation of the System or for the provision of any of the other products, works and services specified in the Contract, as required by the due diligence obligations established in Clause 2 of the Special Terms and Conditions (Part II).

In Section G of the Schedule, Bidders must specify the labour rates that will be applicable to each and every labour category or key personnel profile that may be required to perform services under task orders issued in accordance with clause 6 of the Special Terms and Conditions of the Contract (Part II).

- 2) Payment Schedule. Bidders must propose a fair payment schedule establishing the amounts that will be payable to the Contractor at specific milestone dates. Bidders must use the template provided in ANNEX K to Part I and make sure that the milestones and the milestone dates match those specified in the Project and Implementation Plans submitted as part of the Technical Proposal. Also, payment amounts must be commensurate with the price specified in the Price Schedule for the items covered by each payment milestone. The Organisation may determine that a proposal is unacceptable if the payment schedule proposed is materially unbalanced, unrealistic, or unreasonable.
- 3) Signed Contract. Two signed copies of the prospective Contract properly filled with all relevant data and information. Bidders must use the template in ANNEX L to Part I.
- 4) 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. Organisation 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; Organisation 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 paragraph 9.2 below to raise any questions they may have about the source selection process, the prospective contract, or the specific requirements under solicitation.

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

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 2012/08".

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 ANNEX M to Part I.

7.1.3 Proposals must be submitted by mail, courier or hand-carried. Electronic mail submissions are not authorised 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 **15 October 2012, at 15h00 (Brussels Time)**.

7.2.2 The Organisation is not responsible for lateness of post services, 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 There is acceptable evidence to establish that it was received at the Organisation's installation designated for receipt of offers and was under the Organisation's control prior to the time set for receipt; or
- 7.2.3.2 It is the only proposal received.
- 7.2.4 Acceptable evidence to establish the time of receipt at the Organisation'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 Organisation 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 The evaluation process will be performed in two phases. During the first phase, Bidders will be evaluated under the following pass/fail criteria:

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

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

(3) Conflict of Interest Risks and Mitigation Strategy. 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.

8.1.2 During the second phase, proposals that remain in competition will be evaluated under a combination of the following cost and non-cost factors and sub-factors:

8.1.2.1 Non-Cost Related Factors:

(1) Level of Fit between the Proposed Solution and the SyRS. The evaluation of this factor is based on the outcome of the proposal evaluation, corroborated with the scripted demonstration, and consists in the assessment of the ability of the proposed solution to meet both:

- Functional requirements with standard functionality of the proposed COTS software; in case of gaps, the quality and relevance of the proposed configuration, workaround or custom development; and
- Technical requirements.

(2) Quality of the Oral Presentation and Scripted Demonstration. Short listed Bidders will be requested to perform an oral presentation of their proposals, which will include a live demonstration of their ability to configure their PPM system to satisfy the system requirements specified in the SyRS.

The purpose of the oral presentation is to validate the evaluation of the Bidders' written submissions through an overview of the Bidder's proposed team, approach, methodology, and ability to deliver the proposed solution. The oral presentation will allow NATO's evaluation team to discuss particular concerns relating to the evaluation of the Bidder's written proposal. All Bidders' Key Personnel must participate in the oral presentation.

The presentations will take place at NATO HQ. The duration of the presentation will not exceed 7 hours. The agenda will be as follows:

1) Proposal Presentation (estimated 1.5 hours):

- a) Introduction of participants;
- b) Presentation of the project organisation, composition, experience, and qualification of the proposed team;
- c) Description of the proposed approach, methodology, assumptions, key risks and other components of the proposed project plan (including an overview of the gaps and proposed configuration, workaround or custom development);
- d) Presentation of the proposed master project schedule and level of resources;
- e) Identification of strengths and weaknesses in providing the required services and deliverables;
- f) Questions and answers.

2) Scripted Demonstration (estimated 5.5 hours). This live demo will be based on several scripts that will be provided by NATO. The execution of the scripts will allow the Organization to verify the Bidder's ability to translate specified system requirements into an optimum configuration of

the proposed PPM system which incorporates applicable best practices.

Oral presentations will take place not earlier than 30 days after the proposal closing date. NATO will communicate the exact date and time of oral presentations and provide the script to be demoed at least 21 days in advance. Bidders shall notify NATO of any special facility or other support required. NATO will provide 230V/50Hz power for any demonstration equipment, but the Bidder shall provide any power strips or extension cords required. NATO shall provide tables and chairs for the equipment and the Bidder's demonstration personnel.

(3) Proposed Project Approach and Methodology. Evaluation and analysis of the feasibility, risks, strengths, and weaknesses associated with the proposed project management, technical, functional, change management, and deployment, and support approaches. The evaluation will be primarily based on the documentation submitted as part of the technical proposal and will consider the proposal's potential contribution to the objectives sought by the NOR System Evolution Project as specified in the SOW.

(4) Personnel Qualifications. Evaluation of proposed personnel relevant professional experience, educational background, English proficiency, and overall qualification to perform the services. Proposals that do not meet the minimum requirements specified in the SOW will be disqualified. Bidders that propose candidates that fulfil the desirable qualification requirements specified in the SOW will have higher ratings. Organisation reserves the right to perform interviews to verify the qualifications of proposed personnel. In this event, the Organisation will notify the Bidder concerned at least 5 working days before the intended date of the interview and provide the exact details of the date, time, and venue. Interviews may be performed on-site or remotely (phone conference, VTC). If applicable, interviews will have an approximate duration of one hour and will likely be performed within 30 days after the bid closing date. The oral presentation may also be used to complement or validate the evaluation of this factor.

(5) Bidder's Corporate Capabilities and Past Performance. Evaluation of the risks, strengths, and weaknesses associated with Bidder's corporate competencies comprised of past performance references provided by the Bidder, overall corporate expertise and experience with proposed PPM solution implementations, Bidder's financial condition, subcontracting arrangements, and any other corporate tools, resources, and capabilities identified in the Bidder's proposal.

(6) 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 Organisation 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 and maintain the proposed solution for the intended purposes. 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.

8.1.2.2 Cost Related Factors

(7) Total Evaluated Price. Evaluation of the total cost of the goods, works, or services over the projected duration of the prospective Contract, including purchase and extension options and the impact of any contractual deviations that might have been proposed by Bidders. For the purpose of price comparison all prices will be converted into Euros 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.

The Organisation may determine that a proposal is unacceptable if the prices or payments 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, or the payable amount associated with a given milestone 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 the Organisation.

In this respect, Bidders are informed that any price proposal that results in a total evaluated contract price, including options, of less than € 1,200,000 may be determined as unrealistic and lead to the disqualification of the proposal.

Likewise, in relation to ANNEX J, Bidders are informed that **the total of Sections A and C of the Price Schedule must not exceed the amount of € 1,800,000 and the total evaluated price, including options specified in Sections B, D and E of the Price Schedule must not exceed the amount of € 2,400,000**. Bids submitted in excess of these figures will be determined to be non-compliant and eliminated from further consideration.

8.1.3 For award purposes, Bidders must note that the relative importance of evaluation factors and sub-factors specified in paragraphs 8.1.2.1 and 8.1.2.2 above will be as follows:

8.1.3.1 Factors (1) and (2.2) will be equally important and these two factors considered together will be strongly more important than factors (2.1), (3) and (4) considered together;

8.1.3.2 Factor (3) is more important than (4) and these two factors considered together will be equally important to factors (5) and (6) considered together;

8.1.3.3 Factor (5) is more important than (6); and

8.1.3.4 Non-cost factors (1) thru (6) considered together will be strongly more important than cost factors (7).

8.2 SOURCE SELECTION AUTHORITY

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

8.3 EVALUATION PROCESS

- 8.3.1 The evaluation process will follow the sequence described below:
- 8.3.1.1 All proposals received within the established bidding period are presented to the CAC and the CAC authorises the Proposal Evaluation Team (PET) to start the evaluation of non-cost and cost related factors.
 - 8.3.1.2 The PET performs the Compliance Requirements assessment as per 8.1.1 and recommends the disqualification of non-compliant Bidders to the CAC. Bidders that have been disqualified by the CAC are notified promptly of the decision.
 - 8.3.1.3 The PET performs the assessment of the non-cost and cost related factors, document their findings, and present their conclusions and recommendations to the CAC.
 - 8.3.1.4 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.
 - 8.3.1.5 Competitive negotiations process (if applicable):
 - 8.3.1.5.1 A competitive range is defined as a result of the cost and non-cost factors evaluation and competitive negotiations take place with the Bidders in this competitive range. The information obtained through discussions is documented and confirmed by requesting proposal revisions from all Bidders in the competitive range still eligible for selection.
 - 8.3.1.5.2 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 that remained in the competitive range.
 - 8.3.1.5.3 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.
 - 8.3.1.6 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.
- 8.3.2 Bidders may be disqualified at any stage of the process and particularly as a consequence of the determination of the competitive range specified in paragraph 8.3.1.4 above.
- 8.3.3 The overall duration of the evaluation process depends on the complexity of the RFP and may range between two and six months from the bid closing date.

8.4 CONTRACT AWARD

- 8.4.1 The contract(s) will be awarded to the responsible Bidder whose conforming proposal

represents the best value after evaluation in accordance with the factors and sub-factors specified in the solicitation.

- 8.4.2 The Organisation intends to evaluate proposals and award the contract(s) without discussions with Bidders. 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.
- 8.4.3 Organisation may reject any or all proposals if such action is in Organisation's interest. Exchanges with Bidders after receipt of a proposal do not constitute a rejection or counteroffer by Organisation.
- 8.4.4 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.
- 8.4.5 Organisation 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 Organisation 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 Organisation.

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 Organisation 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:

Mr. Yves VAN SCHENDEL
Email: procurement.contracts@hq.nato.int
Tel: +32-2-707-4202
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 Principals¹—
 - 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 offence 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 offences enumerated in paragraph b. above;
 - d. Have / have not, within a three-year period preceding this offer, been notified of any delinquent taxes² 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:

¹ "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).

² 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 NATO 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 - SCHEDULE OF EXCEPTIONS³

On behalf of the firm stated below, I hereby state that we have read and understand the terms and conditions of the contract enclosed to RFP – 2012/08 and that our acceptance of the referred contract is conditioned to NATO's acceptance of the following Exceptions:

<u>Clause</u> ⁴	<u>Proposed Deviation / Exception</u> ⁵	<u>Rational</u> ⁶	<u>Impact if not Accepted</u> ⁷

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

³ Bidders may use as many pages as required to specify all the deviations they deem necessary.

⁴ Insert the reference of the clause from which the deviation is requested.

⁵ Insert the alternative text proposed for each clause from which a deviation is requested.

⁶ Provide a justification for the proposed deviation or exception (e.g., "This provision is unfair to Bidder because..." or "This is acceptable provided it is adjusted to address our concern that [state specifics]...").

⁷ Provide the impact if the deviation is not accepted (e.g., the total price specified for product "X" in the price schedule shall be increased by 10 % or in a specified amount, the Agreement will be void, etc.)

ANNEX D - LIST OF PERSONNEL

No	Position	SOW Reference	Key Personnel (Y/N)	Personal Security Clearance (PSC) Level	Subcontractor (Y/N)	Full Names (Primary & Back-up)	Nationality	Passport/ID Numbers
1.	Project Manager	ANNEX B	Y					
2.	Solution Architect / Functional Lead	ANNEX B	Y					
3.	Technical Lead	ANNEX B	Y					
4.	Technical Infrastructure Lead	ANNEX B	Y					
5.	Testing Lead	ANNEX B	Y					
6.	Change Management Support	ANNEX B	Y					
7.								
8.								

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

ANNEX E - LIST OF SUBCONTRACTORS

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

Name and Address of Sub-Bidder	DUNS Number ⁸	Primary Location of Work	Items/Services to be Provided	Estimated Value of Sub-Contract

[Abbreviated Name] warrants that no more than 2 of the key personnel positions or more than 40% of the labour hours/work required for the successful completion of the Contract under solicitation will be subcontracted for the entire duration of the Contract. This restriction does 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.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

⁸ Data Universal Numbering System (DUNS). Bidders are requested to provide this data in order to help the Organisation identify SubContractors. If a SubContractor's DUNS is not known this field may be left blank.

ANNEX F - 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 organisational 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 proposal⁹:

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

⁹ If no COI Mitigation Plan is provided by the Bidder, the last part of this statement must be deleted.

ANNEX G - CONTRACTOR BACKGROUND IPR

The Contractor Background Intellectual Property Rights (IPR) specified in the table below will be used for the purpose of carrying out work pursuant to the prospective Contract.

IPR DESCRIPTION ¹⁰	REMARKS/RESTRICTIONS

[Insert Legal Name of The Firm] ([Abbreviated Name]) represents that it has and will continue to have, for the duration of the prospective Contract, all necessary rights in and to the IPR specified above necessary to meet the Contractor’s obligations under the Contract.

The Contractor Background IPR stated above complies with the terms specified in clauses 24 and 25 of the Special Terms and Conditions of the prospective Contract and will be licensed to NATO according to the terms and conditions specified in the referred clauses.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

¹⁰ All Contractor Background IPR shall be identified, including versions. See clause 2 of the General Terms and Conditions of the prospective Contract for a definition of the term Background IPR.

ANNEX H - SUBCONTRACTOR AND THIRD PARTY BACKGROUND IPR

The Subcontractor and Third Party Background Intellectual Property Rights (IPR) specified in the table below will be used for the purpose of carrying out work pursuant to the Contract.

IPR DESCRIPTION ¹¹	IPR OWNER	REMARKS/RESTRICTIONS

[Insert Legal Name of The Firm] ([Abbreviated Name]) represents that it has and will continue to have, for the duration of this Contract, all necessary rights in and to the IPR specified above necessary to meet the Contractor's obligations under the Contract.

The Background IPR stated above complies with the terms specified in clauses 24, 25, and 26 of the Special Terms and Conditions of the prospective Contract and will be licensed to NATO according to the terms and conditions specified in the referred clauses.

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

¹¹ All Subcontractor and Third Party Background IPR shall be identified, including versions. See clause 2 of the General Terms and Conditions of the prospective Contract for a definition of the term Background IPR.

ANNEX I - LIST OF RELEVANT PAST PERFORMANCE REFERENCES

[Insert Legal Name of The Firm] ([Abbreviated Name]) represents that the following past performance references satisfy the Bidder's eligibility requirements specified in Section 2.3 of the solicitation of offers and that the individuals specified below have been informed that they may be contacted by NATO for verification purposes.

No	Project Reference/ Title	Project start date or contract effective date	Date completed	Description of the project and of the services rendered	Total contract / subcontract value	Name, address, annual budget, and staff of the Customer	PPM Solution/version/modules/ functionality implemented	POC for Verification Purposes (name, phone number, fax, address, email address) Current contact information for client responsible senior executive or project manager

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

ANNEX J - PRICE SCHEDULE – RFP – 2012/08

On behalf of [Insert Legal Name of The Firm] I hereby offer providing the Organisation with the services and Deliverables (collectively referred as “ITEMS”) set forth in the schedule below¹², at the specified prices, and subject to the terms and conditions stated in the referred RFP.

A. COTS PPM Software License Costs – Firm Fixed-Price

Line Item Number	COST PPM Software License Costs	Number of Licenses	Pricing ¹³	License fee	Year 2	Year 3	Year 4	Year 5	Total
1	PPM Functional, System and Database Administrator	6		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
2	Super-User	10		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
3	Standard User (NOR)	46		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total		62		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

Line Item Number	COTS PPM Software License Costs	Year 6	Year 7	Year 8	Year 9	Year 10	Total
4	PPM Functional, System and Database Administrator	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
5	Super-User	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
6	Standard User (NOR)	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

	Tools, utilities, 3rd party licenses acquisition costs (if applicable)	Number of Licenses	Pricing	License fee	Year 2	Year 3	Year 4	Year 5	Total
7	<insert name>			€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
8	<insert name>			€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total				€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

¹² The list of items is indicative of the recommended minimum required deliverables in the SOW. Bidders can include additional deliverables that is reflective of their methodology and proposed approach to the NOR System Evolution Project. The format of Tables C1 and C2 (number and headings for columns) must be preserved.

¹³ Bidders can propose different licensing approaches, however these should accommodate the number of licenses required by the Organisation. Bidders can also propose price breaks, volume discounts etc.

Tools, utilities, 3rd party licenses acquisition costs (if applicable)		Year 6	Year 7	Year 8	Year 9	Year 10	Total
9	<insert name>	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
10	<insert name>	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

Grand Total – COTS PPM Software License Costs (1 – 5 years)		Year 1	Year 2	Year 3	Year 4	Year 5	Total
		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

Grand Total – COTS PPM Software License Costs (6 – 10 years)		Year 6	Year 7	Year 8	Year 9	Year 10	Total
		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

Grand Total - COTS PPM Software License Costs (1 – 10 years)							€0.00
							€0.00

B. COTS PPM Software License Costs – Firm Fixed-Price Purchase Option

This purchase option can be exercised yearly: i.e. before year-end of the Final Go-live year for year 2; before year-end 2 for year 3; the same purchase option mechanism applies until year 10.

Line Item Number	COTS PPM Software License Costs	Number of Licenses	Pricing	License fee	Year 2	Year 3	Year 4	Year 5	Total
1	Additional Super-User (purchase option)	5		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
2	Additional Standard User (External) (purchase option)	100		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total (1 – 5 years)		105		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

Line Item Number	COST PPM Software License Costs	Year 6	Year 7	Year 8	Year 9	Year 10	Total
3	Additional Super-User (purchase option)	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
4	Additional Standard User (External) (purchase option)	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total (6 – 10 years)		105	€0.00	€0.00	€0.00	€0.00	€0.00

Grand Total – COTS PPM Software License Costs Purchase Options (1 – 10 years)							€0.00
							€0.00

Costs for servers and storage (hardware and software) associated with the system are NOT to be included in the cost proposal and must NOT be associated with the response to this International Call for Bid.

C. PPM System Implementation Costs – Firm Fixed-Price

C.1 Breakdown of PPM System Implementation Costs by Project Phase and Project Deliverable

Line item Number	ITEMS	SOW Reference	Unit Price	Currency	Quantity	Total
I. Preparation Phase						
1	PPM Information System Solution	SOW 9.2.2	Not an item priced in this table – included to maintain consistency of line items numbering between table C1 and Section 9.4 List of Required Deliverables in SOW			
2	Project Repository					
3	Initial PPM Application Environment Installed					
4	Data Conversion Strategy					
5	Testing Strategy					
6	Training Strategy					
7	Documentation Plan					
8	Change Readiness Assessment					
9	Change Management and Communication Plan					
10	Benefits Realisation Plan and Measures					
11	Organisation Key Staff (business super users; functional, system and database administrators) Trained					
12	Security Accreditation Related Documentation					
I. Total Preparation Phase						
II. System Analysis and Design Phase						
13	Functional System Design, including Fit/Gap Analysis	SOW 9.2.3				
14	System Setup Documents					
15	RICEFW Inventory					
16	RICEFW (including Data Conversion) Documentation					
17	Initial Requirements Traceability Matrix					
18	Technical & Security Architecture Design					
19	Training Needs Analysis and Plan					
II. Total System Analysis and Design Phase						
III. System Build Phase						
20	Technical Architecture Installed					

Line item Number	ITEMS	SOW Reference	Unit Price	Currency	Quantity	Total
21	COTS PPM System Installed	SOW 9.2.4				
22	Configured PPM Application Environment(s)					
23	Developed and Unit Tested Development Components (RICEFW), including Data Conversion and Migration					
24	Updated Requirements Traceability Matrix					
25	Documentation, including Unit Test Scripts for Each Development Component					
26	Training Materials					
27	User Guide and System Management Guide					
28	(Super)User Training					
29	Functional, System and Database Administrators Training					
30	Security Operating Procedures (SecOps)					
31	Security Test Documentation					
III. Total System Build Phase						
IV. Testing and Final Preparation Phase						
32	Development / Testing and Training / Pre-Production Environments Ready	SOW 9.2.5				
33	Test Plans, Tests Scripts and Tests Data					
34	Testing Activities					
35	Test Reports					
36	Cut-Over Plan					
37	End User Training					
38	Support Agreement					
IV. Total Testing and Final Preparation Phase						
V. Cut over Phase (incl. 8 weeks of initial support for each Go-live)						
39	Production Environment Ready, including documented Users, User Roles and User Access Rights	SOW 9.2.6				
40	Cut-Over Plan Executed and Documented					
41	Final Requirements Traceability Matrix					
42	Signed-Off Cut-Over Report					

Line item Number	ITEMS	SOW Reference	Unit Price	Currency	Quantity	Total
43	Initial Support of 8 Weeks (for each Go-Live)					
44	Support Team Training					
V. Total Cut over Phase (incl. 8 weeks of initial support for each Go-live)						
VI. Project Management						
45	Project Plan	SOW 9.2.12				
46	Detailed Work Plan					
47	Project Management Controls, Reports and Meetings					
VI. Total Project Management						
VII. Additional Costs / Deliverables Foreseen by the Contractor		Project Phase Reference				
VII. Total Additional Costs / Deliverables Foreseen by the Contractor						
Grand Total - PPM System Implementation Costs by Project Phase and Project Deliverable						€0.00

C.2 Breakdown of PPM System Implementation Costs by Project Phase and Level of Effort per Labour Category

Line item Number	ITEMS	SOW Reference	Labour Category	Number of man-days	Daily Rate	Total
I. Preparation Phase						
		9.2.2	<insert profile name>			
			<insert profile name>			
I. Total Preparation Phase						
II. System Analysis and Design Phase						
		9.2.3	<insert profile name>			
			<insert profile name>			
II. Total System Analysis and Design Phase						
III. System Build Phase						
		9.2.4	<insert profile name>			
			<insert profile name>			
III. Total System Build Phase						
IV. Testing and Final Preparation Phase						
		9.2.5	<insert profile name>			
			<insert profile name>			
IV. Total Testing and Final Preparation Phase						
V. Cut over Phase (incl. 8 weeks of initial support for each Go-live)						
		9.2.6	<insert profile name>			
			<insert profile name>			
V. Total Cut over Phase (incl. 8 weeks of initial support for each Go-live)						
VI. Project Management						
		9.2.12	<insert profile name>			
			<insert profile name>			
VI. Total Project Management						
VII. Additional Costs / Deliverables Foreseen by the Contractor		Project Phase Reference				
			<insert profile name>			
			<insert profile name>			
VII. Total Additional Costs / Deliverables Foreseen by the Contractor						
Grand Total - PPM System Implementation Costs by Project Phase and Level of Effort per Key Personnel Profile						€0.00

Note: The totals per Phase and the Grand Totals from the C1 and C2 tables included in C. PPM System Implementation Costs must match.

D. PPM System Support Costs – Firm Fixed-Price Purchase Option

This purchase option can be exercised yearly: i.e. before year-end of the Initial Go-live year for year 2; before year-end 2 for year 3; the same purchase option mechanism applies until year 10.

Line Item Number	PPM System Annual Support Costs (1 – 5 years)	Start date	Year 2	Year 3	Year 4	Year 5	Total
1	<insert name>	Initial Go live	€0.00	€0.00	€0.00	€0.00	€0.00
2	<insert name>	Initial Go live	€0.00	€0.00	€0.00	€0.00	€0.00
Total			€0.00	€0.00	€0.00	€0.00	€0.00

	PPM System Annual Support Costs (6 – 10 years)	Year 6	Year 7	Year 8	Year 9	Year 10	Total
3	<insert name>	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
4	<insert name>	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

	Tools, utilities, 3rd party software annual support costs (1 – 5 years) (if applicable)	Start date	Year 2	Year 3	Year 4	Year 5	Total
5	<insert name>	Initial Go live	€0.00	€0.00	€0.00	€0.00	€0.00
6	<insert name>	Initial Go live	€0.00	€0.00	€0.00	€0.00	€0.00
Total			€0.00	€0.00	€0.00	€0.00	€0.00

	Tools, utilities, 3rd party software annual support costs (6 – 10 years) (if applicable)	Year 6	Year 7	Year 8	Year 9	Year 10	Total
7	<insert name>	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
8	<insert name>	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Total		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00

	Grand Total - System Annual Support Costs (1 – 5 years)	Start date	Year 2	Year 3	Year 4	Year 5	Total
		Initial Go live	€0.00	€0.00	€0.00	€0.00	€0.00
	Grand Total - System Annual Support Costs (6 – 10 years)	Year 6	Year 7	Year 8	Year 9	Year 10	Total
		€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
Grand Total - System Annual Support Costs (1 – 10 years)							€0.00

E. PPM System On-site Functional and Technical Support Costs – Firm Fixed-Price Purchase Option

This purchase option can be exercised during a period of 3 (three) years from Final Go-live.

Line item Number	ITEMS	SOW Reference	Currency	Quantity	Total
1	100 man-days of on-site support	9.3.2		1	
Total – System On-site Functional and Technical Support Costs					€0.00

The Organisation can exercise each of the purchase options included in Tables B, D and E above separately.

F. PPM System Acquisition, Implementation and Support Services Total Price Summary

Line item Number	ITEMS	Currency	Total
A	COST PPM Software License Costs – Firm Fixed-Price		
B	COTS PPM Software License Costs – Firm Fixed-Price Purchase Option		
C	PPM System Implementation Costs – Firm Fixed-Price		
D	PPM System Support Costs – Firm Fixed-Price Purchase Option		
E	PPM System On-site Functional and Technical Support Costs – Firm Fixed-Price Purchase Option		
PPM Total Costs Summary			€0.00

G. Schedule of Forward Labour Rates. Rates applicable to services provided under Purchase Orders issued in accordance with Clause 6 (Ordering) of the Special Terms and Conditions of the Contract¹⁴.

Line-Item Number	Labour Category (i.e. Key Personnel Profile) as per Annex B to SOW	Currency	Daily Rate	
			Home Office	NATO HQ Brussels, Belgium
1.	Project Manager			
2.	Solution Architect / Functional Lead			
3.	Technical Lead			
4.	Technical Infrastructure Lead			
5.	Testing Lead			
6.	Change Management Support			
7.				
8.				
9.				
10.				

14 Bidders may add as many lines as required in order to include all labor categories that may be needed under the Contract.

H. Contractor’s Home Office

The following location(s) must be considered as Contractor’s Home Office for the purposes of calculation of authorised travel and per diem costs under the terms of clause 6 of the Special Terms and Conditions of the prospective Contract¹⁵:

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.		

Date :

Signature:

Name & Title:

Company:

Proposal Reference:

¹⁵ 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.

ANNEX K - PAYMENT SCHEDULE

A. Project Phase and Deliverable [Specify Project Phase and Deliverable, e.g., I to VII) to which the payment schedule applies]

No	Milestone	Milestone Date	Payment Amount

Date :
Signature:
Name & Title:
Company:
Proposal Reference:

ANNEX L - SIGNATURE PAGE**NOR SYSTEM EVOLUTION PROJECT
PPM SYSTEM ACQUISITION, IMPLEMENTATION AND
SUPPORT SERVICES
CONTRACT**

Between

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

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 Organisation 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 "Contract" or the "Agreement"):
 - a. Organisation’s Request For Proposals RFP – 2012/08, dated 31 Aug 2012 (hereinafter referred to as the RFP);
 - b. Contractor’s Proposal, dated [Insert the date of the Proposal, e.g., 15 Oct 2012];
- 1.2. 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 Organisation, 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 Organisation 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 Contract Terms and Conditions) and its Annexes;
 - d. Part III of the RFP (General Contract 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.

Contract No _____

- 1.4. This Contract 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. "Payment Schedule" refers to the payment schedule included in the Contractor's Proposal stated in 1.1.b above;
- 2.3. "Price Schedule" refers to the price schedule included in the Contractor's Proposal stated in paragraph 1.1.b above;
- 2.4. "Contractor's Proposal" refers to the offer stated in paragraph 1.1.b above; and
- 2.5. "RFP" refers to the NATO Request for Proposals specified in paragraph 1.1 a above.

3 SCOPE

- 3.1. This Contract is a combination of the following contract types:
- a. A firm fixed-price type which covers the delivery of products and services required for acquisition and implementation of the NOR System Evolution PPM System;
 - b. A number of firm fixed-price purchase options covering additional COTS software licenses and the delivery of products and services required for the system support and on-site functional and technical support of NOR System Evolution PPM System;
 - c. An indefinite delivery, indefinite quantity type covering additional products or services similar to the requirements specified in the SOW, which may be required by the Organisation but cannot be accurately specified at the time of Contract signature.
- 3.2. The Statement of Work stated in paragraph 1.3. e. above, specifies the scope of work and Deliverables to be provided under the Contract.

4 CONTRACT PRICE

- 4.1. The Organisation shall pay the Contractor, for the provision of Deliverables and services described in this Contract, according to the prices stated in the Price Schedule.
- 4.2. The total price payable for the firm fixed-price Deliverables and services, excluding purchase or extension options, to be provided under the Contract will be [Insert currency and total price specified in Sections A and C of the Price Schedule].

5 CONTRACT ADMINISTRATION

- 5.1. All notices and communications between the Contractor and the Organisation 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 Organisation: NATO Headquarters
 Procurement Service
 Office of Financial Control
 Boulevard Leopold III
 1110 Brussels, Belgium
 Attn: Mr. Yves VAN SCHENDEL
 Tel: +32 2 707 4202
 Fax: +32 2 707 4927
 e-mail: vanschendel.yves@hq.nato.int

6 DURATION OF CONTRACT

6.1. This Contract 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 Contract, or extended through the exercise of the purchase or extension options specified in the Contract, will terminate at the end of the Warranty Period without prejudice to the duration of any confidentiality obligations and contracting restraints that may be applicable in accordance with other terms of the Contract.

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

Date:	Date:[Insert the date the document is signed, e.g., 15 Oct 2012]
-------	--

The Organisation	CONTRACTOR ¹⁶
------------------	--------------------------

Javier Carrasco Head of Procurement	Name:[Insert the name of the individual that signs the document] Position:[Insert the position of the individual that signed the document]
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THE VALIDITY OF THIS CONTRACT WILL BE CONTINGENT UPON THE SIGNATURE OF THE FINANCIAL CONTROLLER

Financial Controller

Date

¹⁶ Space reserved for the signature of a duly appointed representative of the Contractor with sufficient authority to enter into the Contract.

ANNEX M - PROPOSAL LABEL

Nom/Name :

Adresse/Address :

OTAN / NATO

**Service Achats
Procurement Service**

**1110 BRUXELLES / BRUSSELS
BELGIQUE / BELGIUM**

2012/08

**Démande de
Propositions**

**Request For
Proposals**

ANNEX N - REQUEST FOR DOCUMENT

To: Head of Procurement Service
 NATO HQ
 1110 Brussels, Belgium
 Tel. +32-2) 707 41 11 – Fax: (32-2) 707 49 27

Reference: RFP 2012/08 – NOR System Evolution Project – Project Portfolio Management (PPM) System Acquisition, Implementation and Support Services

The undersigned:

Full name:

Representing:

Address:

Phone/fax number:

Email address:

Request that a copy of the document following documents be sent to me to use in preparation for a response to NATO Request for Proposal (RFP) stated above.

- Network Realignment & Robustness (NR2) Target Architecture (TA) version 1.1.
- PPM System Requirements Specifications – Context document.

I am enclosing completed and signed copies of the Non-Disclosure Agreement (NDA) pertaining to the requested documents which have been signed by those members of this organisation whom it is expected will need access to these documents in preparing our response.

I confirm that should my organisation not be selected for this contract, the documents listed above will be returned to NATO Procurement Service. For NATO UNCLASSIFIED documents the return may be by postal mail whilst classified documents (NATO RESTRICTED) will be delivered in person or handed over to the responsible National Security Authority for onward transmission to the NATO Procurement Service.

To be signed by the Bidder staff authorized to represent the Bidder,

Date	Full name and Company (in block capitals)	Signature
------	---	-----------

Instruction to requester – complete, sign and fax both pages to fax number (32-2) 707 49 27



NON-DISCLOSURE AGREEMENT DECLARATION

Reference: RFP 2012/08 – NOR System Evolution Project – Project Portfolio Management (PPM) System Acquisition, Implementation and Support Services

To be signed by *all Bidder Representatives / Consultants / Contractor's Engineers / Technical Support Staff*, with or without a Personal Security Clearance (PSC), for working on Bidder's premises on a response to *NATO RFP 2012/08 – NOR System Evolution Project – Project Portfolio Management (PPM) Acquisition, Implementation and Support Services* and for handling NATO information up to the level of NATO RESTRICTED.

I UNDERSTAND:

1. That I must preserve the security of all NATO / commercial-in-confidence information which come to my knowledge as a result of the referenced NATO Request for Proposal (RFP) and that I undertake to comply with all relevant security regulations.
2. That I must not divulge to any unauthorised person, any information gained by me from documents reviewed as a result of my work on responding to NATO RFP 2012/08, unless prior permission for such disclosure has been granted by NATO Office of Security.
3. That I must not, without the approval of the NATO Office of Security, publish in any document, article, book, CD, video, film, play, or other form any classified/commercial-in-confidence information which I have acquired in the course of my official duties as a participant in the response to NATO RFP 2012/08.
4. That the provisions of this Declaration apply not only during the period of the work on the response to NATO RFP 2012/08, but also after the work has ceased and that I am liable to prosecution if either by intent or negligence I allow classified/commercial-in confidence information to pass into unauthorised hands.

I CERTIFY

1. That I solemnly undertake to exercise in all loyalty, discretion and conscience the functions entrusted to me as a national of a NATO member Nation and to discharge these functions with the interests of NATO only in view. I undertake not to seek or accept instructions in regard to the performance of my duties to preserve the security of the information contained in any documents reviewed as a part of the response to NATO RFP 2012/08 from any government, company or from any authority other than that of NATO Office of Security.

Date

Full name and Company (in block capitals)

Signature

ANNEX O - RFP COMPLETION CHECKLIST

The proposal must contain the documentation and media specified in Section 4.2 of these instructions. This checklist is just for assistance purposes and does not replace, modify, or supplement the provisions of the stated Section. Bidders are responsible for verifying that the contents of their proposals comply with the provisions of Section 4.2 of these instructions.

RFP COMPLETION ITEM	PROPOSAL REFERENCE	CHECKED
TECHNICAL AND ADMINISTRATIVE PROPOSAL		
1) A table of contents for the entire bid and a copy of the checklist properly completed		
2) Contact Details		
3) Certification Regarding Bidder's Responsibility		
4) Origin of Supplies and Services Certificate		
5) Past Performance data		
6) Financial Condition		
7) Corporate Capabilities		
8) Schedule of Exceptions		
9) Management Method and Project Planning and Control Documentation		
10) Project Financial Reporting and Cost Tracking		
11) Software Provider Relationship Approach		
12) Quality Assurance Plan		
13) Solution Implementation Approach and Methodology		
14) Training Approach		
15) Technical and Application Architecture		
16) Data Conversion and Migration		

RFP COMPLETION ITEM	PROPOSAL REFERENCE	CHECKED
17) Testing		
18) Cut-over and Support		
19) List of Bidder's Personnel proposed for the performance of the Contract including both Key Personnel and non-Key Personnel		
20) Resumes of Bidder's Key Personnel proposed for the performance of the contract		
21) Labour contracts or letters of commitment for the proposed Key Personnel		
22) List of Subcontractors (if any) which the Bidder intends to use for the performance of the Contract		
23) Bidder's Background Intellectual Property Rights (IPR)		
24) Subcontractor and Third Party Background IPR		
25) Conflict of Interest (COI) Declaration and Mitigation Plan		
26) A CD-ROM containing electronic copies of the documentation included in the Technical and Administrative Proposal		
PRICE PROPOSAL		
1) Price Schedule		
2) Payment Schedule		
3) Signed Contract		
4) A CD-ROM containing electronic copies of the documentation included in the Price Proposal		

**NORTH ATLANTIC TREATY ORGANISATION (NATO)
REQUEST FOR PROPOSAL**

RFP – 2012/08

**NOR SYSTEM EVOLUTION PROJECT – PPM SYSTEM
ACQUISITION, IMPLEMENTATION AND SUPPORT
SERVICES**

PART II – CONTRACT SPECIAL TERMS AND CONDITIONS

PART II – CONTRACT SPECIAL TERMS AND CONDITIONS

1 DEFINITIONS AND ACRONYMS

- 1.1 As used throughout this Contract, the following terms and acronyms have the meanings specified below, unless otherwise specified in the Contract:
- 1.1.1 “CED” shall mean Contract Effective Date. The Contract Effective Date shall be the date of last signature by the Parties as specified in the Signature Page.
 - 1.1.2 “Contractor’s Home Office”: the location specified in the Price Schedule for the purposes of calculation of authorised travel costs and per diem under the terms of clause 6 below.
 - 1.1.3 “Delay”: the period of time by which the performance of the Contract is delayed by reference to milestone dates or required delivery dates established in the Contract.
 - 1.1.4 “Deliverable”: an item, feature, product or service specified in the Contract or in purchase orders issued under the Contract, which is required to be delivered by the Contractor at a milestone date or at any other stage during the performance of this Contract.
 - 1.1.5 “Organisation’s ICT Environment”: the Organisation’s existing computing environment (consisting in hardware such as servers, racks, computers, physical networks, etc, and software such as operating systems, desktop and server applications and utilities, middleware, database management applications and utilities, and support, development, testing tools, etc.) with which the NOR System Evolution PPM System is to interface or interoperate and where the NOR System Evolution PPM System must be installed and running. The Organisation’s ICT Environment is described in ANNEX C to the SOW.
 - 1.1.6 “Technical Solution”: the design and specification of the NOR System Evolution PPM System as defined in the Contract and more particularly in the Contractor’s Proposal.
 - 1.1.7 “System”: the NOR System Evolution PPM System as specified in this Contract and more particularly in the SOW and System Requirement Specifications.

2 CONTRACTOR’S DUE DILIGENCE OBLIGATIONS AND REPRESENTATIONS

- 2.1 The Contractor represents that it:
- 2.1.1 Has made and must make its own enquiries to satisfy itself as to the accuracy and adequacy of any information supplied to it by or on behalf of the Organisation;
 - 2.1.2 Has raised all relevant due diligence questions with the Organisation before entering into this Contract; and
 - 2.1.3 Has entered into this Contract in reliance on its own due diligence alone.
- 2.2 The Contractor represents that:
- 2.2.1 It has been provided with all documentation and specifications of the Organisation’s ICT Environment needed for the performance of the Contract and to determine if there are any aspects that are not suitable for the implementation and operation of the

System or for the provision of any of the other products, works, and services specified in this Contract;

- 2.2.2 That it has inspected the stated documentation and specifications thoroughly;
- 2.2.3 That it has advised the Organisation of any aspect of the Organisation's ICT Environment that is not suitable for the implementation and operation of the System or for the provision of any of the other products, works and services specified in this Contract and of the specific actions to remedy the unsuitable aspects of the Organisation's ICT Environment, together with a timetable for and costs of those actions, have been specified in the relevant parts of the Contract for the Preparation phase.
- 2.3 If the Contractor has either failed to inspect the Organisation's ICT Environment or failed to notify the Organisation of any required remedial actions in accordance with clause 2.2 above, then the Contractor will not be entitled to recover any additional costs or charges from the Organisation relating any unsuitable aspects of the Organisation's ICT Environment except in respect of any latent structural defect in the Organisation's premises. The onus will be on the Contractor to prove to the Organisation that any work to the Organisation's premises is required in respect of a latent structural defect and that the additional costs and charges are necessary, fair, and reasonable. The Contractor must not incur such additional costs or charges without obtaining the Organisation's prior written consent expressed through a purchase order issued under the terms of this Contract or a formal contract modification.

3 INDEFINITE DELIVERY INDEFINITE QUANTITY CONTRACT REQUIREMENTS

- 3.1 In addition to the firm fixed-price requirements identified in Sections A thru E of the Price Schedule, the Contract provides for the possibility to order additional products and services that the Organisation may need to satisfy future requirements similar to the ones specified in the SOW. The specific ordering procedure is described in clause 6 below.
- 3.2 The Organisation may issue orders requiring delivery to multiple destinations or performance at multiple locations. Except for any limitations on quantities that may be specified in the Contract, there is no limit on the number of orders that may be issued.
- 3.3 The Organisation has no obligation to order any minimum quantities of additional products or services under the terms of this Contract.

4 PROJECT PLAN

- 4.1 The Contractor must provide the products, works, and services included within the basic scope of the Contract in accordance with Project Plan included in the Contractor's Proposal as incorporated into this Contract.

5 PURCHASE AND EXTENSION OPTIONS

- 5.1 The Organisation may require the delivery of the line items or provision of the services identified in the Price Schedule as purchase or extension options in the quantities and at the prices stated in the Price Schedule.
- 5.2 The Organisation may exercise each purchase or extension option by written notice to the Contractor before the expiration date specified for each option in the Price Schedule.

6 ORDERING

- 6.1 The Organisation reserves the right to order additional products or services similar to the ones specified in the Contract through the issuance of purchase orders under the terms and through the procedure specified in this clause.
- 6.2 The Organisation shall provide the Contractor with a draft purchase order describing the work, equipment, and deliverables to be performed and request the Contractor to submit a proposal consisting of the following documentation:
- 6.2.1 A technical and management proposal, compliant with the requirements of the Contract, providing details on how work and deliverables set in the purchase order will be performed;
- 6.2.2 A price proposal with detailed pricing summary sheets and any other cost or pricing data that may be reasonably requested by the Organisation;
- 6.2.3 Any additional documentation requested by the Organisation in order to verify Contractor's statements of facts (e.g., certificates of origin, resumes of required key personnel, etc.)
- 6.3 The price proposal stated in paragraph 6.2.2 above shall conform to the pricing rates established in Section G of the Price Schedule, and shall comply with all the other pricing terms stated in the Contract and the following rules:
- 6.3.1 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 authorised 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 labour 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 Organisation'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.
- 6.3.2 If other direct costs are required for the performance of the tasks specified in the purchase order, the Contractor shall price these additional costs in accordance with the pricing terms established in the Contract.
- 6.4 Once the price, technical, and management information, and any additional supporting documentation stated above is received by the Organisation, both parties shall discuss and mutually agree the compensation arrangement for the tasks and deliverables specified in the purchase order, the type and level of effort involved, the amount of authorised costs, and any other aspects required to fully define the purchaser order.
- 6.5 In case agreement on the various elements of the purchase order is not reached within a reasonable period of time, which in no case shall exceed of 30 days from the issue date of the Organisation's request for proposal stated in paragraph 5.2, the contract modification may be implemented, at the Organisation's discretion, through the change order procedure specified in the clause 6 entitled "Change Orders" of the General Terms and Conditions.

- 6.6 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 Organisation will not reimburse invoices raised against any purchase orders not authorised by the NATO Procurement Service.
- 6.7 Orders for services not listed in the Price Schedule but within the generic scope of the Contract shall be negotiated separately as a bilateral Contract modification.
- 6.8 Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations stated in this Contract, the Contractor shall furnish to the Organisation all supplies or services specified in the Contract and called for by orders issued in accordance with the Ordering clause.
- 6.9 Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The Contract shall govern the Contractor's and Organisation's rights and obligations with respect to that order to the same extent as if the order were completed during the Contract's effective period; provided, that the Contractor shall not be required to make any deliveries under purchase orders issued in accordance with this clause after the end of the NOR System Evolution Project, or seven years after the contract effective date, whichever occurs first.

7 DELIVERABLE REVIEW AND TESTING

- 7.1 The Contractor must perform quality reviews and tests in accordance with the procedures and timelines specified in the SOW and in the Quality and Test Plans specified in the Contractor's Proposal as incorporated into this Contract.
- 7.2 Each party will bear its own costs in respect to quality reviews and testing activities. However, if a Deliverable does not substantially achieve the Test Success Criteria or Acceptance Criteria established for that Deliverable, any costs incurred by the Organisation in the re-testing or repetition of the review and as a result of the failure to achieve the Test Success Criteria or Acceptance Criteria will be the responsibility of the Contractor.
- 7.3 If the Contractor successfully completes the requisite tests or quality reviews associated with a Deliverable, the Organisation will issue an Acceptance Certificate for that specific Deliverable. The Organisation may include several Deliverables in the same Acceptance Certificate.
- 7.4 Notwithstanding the issuing of any Acceptance Certificate, the Contractor will remain solely responsible for ensuring that the Technical Solution as designed and developed is suitable for the implementation and operation of the System and for the provision of any other products, works or services specified in the Contract.

8 PROJECT DELAYS

- 8.1 If at any time the Contractor becomes aware that it will not (or is unlikely) to achieve any milestone or Deliverable by the milestone or delivery date specified in the Contract, the Contractor must immediately notify the Organisation of the fact of the Delay and provide a summary of the reasons for it.
- 8.2 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 Organisation full details in writing of:

- 8.2.1 The detailed reasons for the Delay;
- 8.2.2 The consequences of the Delay; and
- 8.2.3 If the Contractor claims that the Delay is due to an Organisation's Cause, the reason for making that claim.
- 8.3 Whether the Delay is due to the Organisation or not, the Contractor shall deploy all additional resources, and take all reasonable steps to eliminate or mitigate the consequences of the Delay.
- 8.4 Where the Contractor considers that the Delay is being caused or contributed to by an Organisation's Cause, the Organisation will not be liable to compensate the Contractor for Delays to which clauses 10 and 11 below apply unless the Contractor has fulfilled its obligations set out in, and in accordance with, clause 8.2.
- 8.5 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 Contract. Pending the resolution of the dispute both parties shall continue to work to resolve the causes of, and mitigate the effects of, the Delay.
- 8.6 Correction Plan
 - 8.6.1 The Contractor shall submit a draft Correction Plan where:
 - 8.6.1.1 It becomes aware that it will not achieve a milestone or Deliverable by the milestone or delivery date specified in the Contract; or
 - 8.6.1.2 It has failed to achieve a milestone or Deliverable by its milestone or delivery date, whether that failure arises because of:
 - 8.6.1.2.1 A failure to submit any or all Deliverables in respect of that milestone;
 - 8.6.1.2.2 The failure of the milestone successfully to complete or achieve any test or quality review; or
 - 8.6.1.2.3 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.
 - 8.6.2 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 this Contract.
 - 8.6.3 The draft Correction Plan shall be submitted to the Organisation for its approval as soon as possible and in any event not later than 10 days (or such other period as the Organisation may permit and notify to the Contractor in writing) after the initial notification under clause 8.1 or the issuance of a non-conformance report.
- 8.7 The Organisation shall not withhold its approval of a draft Correction Plan unreasonably. If the Organisation 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 Organisation within 5 working days of the rejection of the first draft.
- 8.8 The Contractor shall comply with its Correction Plan following its approval by the Organisation.

9 DELAYS DUE TO CONTRACTOR'S DEFAULT

- 9.1 If a Deliverable does not meet the Test Success Criteria or a milestone or required delivery date is not achieved due to a Contractor Default, the Organisation shall issue a Non-conformance Report to the Contractor categorising the Test Issues as described in the Testing Procedures or setting out in detail the non-conformities of the Deliverable where no testing 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 Organisation will then have the options set out below.
- 9.2 The Organisation may at its own discretion (without waiving any rights in relation to the other options provided in the Contract) choose to:
- 9.2.1 Issue a provisional acceptance certificate conditional on the remediation of the test issues, or the non-conformities of the Deliverable where no testing has taken place, in accordance with an agreed Correction Plan; and/or
- 9.2.2 Require the payment of liquidated damages, which shall be payable by the Contractor on demand, where clause 14 (Liquidated Damages) specified that 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.
- 9.3 Where clause 14 (Liquidated Damages) does not establish the payment of liquidated damages in respect of a milestone or Deliverables the Organisation 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 Organisation's exclusive financial remedy except where:
- 9.3.1 The Organisation is otherwise entitled to or does terminate this Contract for the Contractor's Default or for force majeure;
- 9.3.2 The failure to achieve the milestone or Deliverable exceeds a period of 4 months after the relevant milestone or delivery date; or
- 9.3.3 Where the failure to achieve the milestone or the accumulation of non-conformance issues with respect to Deliverables constitutes a substantial breach of the Contract.
- 9.4 Where the Organisation issues a provisional acceptance certificate as specified in clause 9.2.1 above, it can choose (but does not have to) to revise the failed milestone date and any subsequent milestone date or required delivery dates.
- 9.5 Any Correction Plan shall be agreed before the issue of a provisional acceptance certificate unless the Organisation is willing to agree otherwise. In the latter case the Contractor shall submit a Correction Plan for approval by the Organisation within 10 working days of receipt of the non-conformance report.

10 DELAYS DUE TO ORGANISATION'S CAUSE

- 10.1 Without prejudice to clause 8.3 and subject to clause 8.4, 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 Organisation's Cause the Contractor will have the rights and relief set out in this clause.

10.2 The Contractor shall:

- 10.2.1 Subject to clause 10.3, be allowed an extension of time equal to the Delay caused by that Organisation's Cause;
- 10.2.2 Not be in breach of this Contract as a result of the failure to achieve the relevant milestone or Deliverable by its required Date;
- 10.2.3 Have no liability for Liquidated Damages in respect of the relevant milestone or Deliverable to the extent that the Delay results directly and exclusively from the Organisation's Cause; and
- 10.2.4 Be entitled to compensation as set out in clause 10.4 below.

10.3 The Organisation shall:

- 10.3.1 Consider the duration of the Delay, the nature of the Organisation's Cause and the effect of the Delay and the Organisation's Cause on the Contractor's ability to comply with the Implementation Plan;
- 10.3.2 Consult with the Contractor in determining the effect of the Delay;
- 10.3.3 Fix a revised milestone or Deliverable required date; and
- 10.3.4 If appropriate, make any consequential revision to subsequent required delivery dates in the Contract.

10.4 If the Contractor has incurred any direct loss and/or expense as a result of a Delay due to an Organisation'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 Contract. The Contractor must request such compensation through the Claim submission procedure specified in clause 8 of the General Terms and Conditions of the Contract.

10.5 Any Change that is required to the Project Plan pursuant to clause 10.3 or the charges pursuant to clause 10.4 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 8.2 permits a number of options, then the Organisation shall have the right to select which option shall apply.

10.6 The Organisation shall not delay unreasonably when considering and determining the effect of a Delay under this clause 10 or in agreeing a Change pursuant to the Change Control Procedure.

10.7 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 Organisation's Cause.

10.8 This clause will not apply to Delays caused by Stop Work Orders issued by the Organisation under the terms of clause 7 of the General Terms and Conditions of the Contract.

11 DELAYS NOT DUE TO ONE PARTY

11.1 Without prejudice to clause 8.3 and subject to clause 8.4, where a Delay is attributable in part to the Contractor's Default and in part to an Organisation'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 Organisation 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 Contract.

12 SERVICE LEVEL AGREEMENT

- 12.1 If the purchase options stated in Section D and E of the Price Schedule are exercised, the Contractor shall provide the specified services to meet or exceed the Service Levels specified in the Contractor's Proposal from the service performance start date.
- 12.2 If there is a Service Failure or if the Contractor believes that there will be a Service Failure, the Contractor shall:
- 12.2.1 Notify the Organisation immediately of the Service Failure or likely Service Failure;
- 12.2.2 Provide the Organisation with a Correction Plan of the action that it will take to rectify the Service Failure or to prevent the Service Failure from taking place or recurring, within 10 working days from the day the Contractor notifies the Organisation under clause 12.2.1;
- 12.2.3 Deploy all additional resources and take all remedial action that is necessary to rectify or to prevent the Service Failure from taking place or recurring; and
- 12.2.4 Carry out the action plan agreed under clause 12.2.2 in accordance with its terms.
- 12.3 Subject to an annual Service Credit limit of 20 % of the total price payable for the annual service specified in Section C of the Price Schedule, where applicable the Contractor shall automatically credit the Organisation with Service Credits in accordance with the Service Levels and system of service credits established in the Service Level Agreement (SLA) or Operational Level Agreement (OLA) included in the Contractor's Proposal. Service Credits shall be shown as a deduction from the amount due from the Organisation to the Contractor in the next invoice then due to be issued under this Contract. If no invoice is due to be issued then the Contractor shall issue a credit note against the previous invoice and the amount for the Service Credits shall be repayable by the Contractor as a debt within 10 Working Days of issue.
- 12.4 Where Service Credits are provided as a remedy for Service Failure in respect of the relevant Services it shall be the Organisation's exclusive financial remedy except where:
- 12.4.1 The aggregate number of Service Failures (whether the Service Failure relates to the same or to different parts of the Services) exceeds 3 over a period of 3 consecutive months;
- 12.4.2 Any Service Failure that exceeds the Service Threshold established in the SLA or OLA;
- 12.4.3 The failure to perform the services in accordance with the Service Levels has arisen due to theft, gross negligence, fraud, or wilful default; or
- 12.4.4 The Service Failure results in:

- 12.4.4.1 Corruption or loss of data;
- 12.4.4.2 Major disruption of Organisation's personnel management processes; and
- 12.4.4.3 Major disruption of Organisation's payment processes.
- 12.4.5 The Organisation is otherwise entitled to or does terminate this Contract for the Contractor's Default.
- 12.5 Where Service Credits are not provided as a remedy for a Service Failure and the Contractor has failed to address such a Service Failure to the reasonable satisfaction of the Organisation, then the Organisation may, on written notice to the Contractor,
- 12.5.1 Withhold a proportionate amount of the Service Charges for those Services until such time as the relevant Service Failure is remedied. Provided that the relevant Service Failure is remedied, the Organisation shall resume payment of the relevant part of the Service Charges, including payment of the amount retained.
- 12.6 The Organisation and the Contractor shall review the Service Levels every 6 months throughout the period of performance and make any changes in accordance with the Change Control Procedure to reflect changes in the Organisation's requirements.
- 12.7 Not more than once a year the Organisation may, on 3 months written notice, change the Service Credits applicable to each or any Service Level provided that:
- 12.7.1 The principal purpose of this change is to reflect changes in the Organisation's business requirements and priorities, or to reflect changing industry standards;
- 12.7.2 The change is not specifically intended to penalise the Contractor for poor performance in relation to any particular Service Levels; and
- 12.7.3 There is no increase in the total value of Service Credits potentially payable.

13 PRICES AND PRICE ADJUSTMENT

- 13.1 The prices specified in Sections A (COTS PPM Software License Costs – Firm Fixed-Price) thru E (PPM System On-site Functional and Technical Support Costs – Firm Fixed-Price Purchase Option) of the Price Schedule (ANNEX J to Part I) will be firm and fixed for the whole duration of the Contract.
- 13.2 The forward labour rates specified in Section G (Schedule of Forward Labour Rates) 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.
- 13.3 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".
- 13.4 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 2011 according to the Price Schedule

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

HICPo: Value of the index HICP - "All Items" for the 27 EU Countries – Base 2005 (2005 = 100) registered in July 2012 = 117.99.

- 13.5 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.

14 LIQUIDATED DAMAGES

- 14.1 If the Contractor fails to provide the services or Deliverables or to achieve established project milestones within the time specified in this Contract, the Contractor shall, in place of actual damages, pay to the Organisation liquidated damages in the amount specified in the schedule below 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 Contract, the maximum applicable amount specified in the schedule will be the amount to be paid by the Contractor.

Delinquent Milestone, Service, or Deliverable	Liquidated Damages per Day
Complete Delivery and Acceptance of the Project Management Deliverables specified in Section C of the Price Schedule	1,500.00
Complete Delivery and Acceptance of final versions of Project Preparation Phase Deliverables specified in Section C of the Price Schedule	3,000.00
Complete Delivery and Acceptance of final versions of System Analysis and Design Phase Deliverables specified in Section C of the Price Schedule	3,000.00
Complete Delivery and Acceptance of final versions of System Build Phase Deliverables specified in Section C of the Price Schedule	3,000.00
Complete Delivery and Acceptance of final versions of Testing and Final Preparation Phase Deliverables specified in Section C of the Price Schedule	3,000.00
Delay in completion of initiated User Acceptance Testing or daily cost of UAT retesting	11,500.00
Complete Delivery and Acceptance of final versions of Cut-over Phase Deliverables specified in Section C of the Price Schedule	4,500.00
Start of Go-Live Support	2,500.00

- 14.2 If the Organisation terminates this Contract in whole or in part under the Termination for Default clause, the Contractor is liable for liquidated damages accruing until the Organisation reasonably obtains delivery or performance of similar services or Deliverables. These liquidated damages are in addition to excess costs of repurchase under the stated clause.
- 14.3 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 Contract.

15 PAYMENTS

- 15.1 Unless provided otherwise herein, the Organisation shall pay all undisputed amounts due under this Contract within thirty (30) days of receipt of the invoice. The making of any payment or payments by the Organisation, or the receipt thereof by the Contractor, shall not imply acceptance by the Organisation of such items or the waiver of any warranties or requirements of this Contract.
- 15.2 Payments for the items specified in Sections A and B of the Price Schedule will only be due upon Acceptance of the stated items.
- 15.3 Payments for the firm fixed-price requirements specified in Section C of the Price Schedule will be due upon Contractor's achievement of the milestones specified in the Payment Schedule.
- 15.4 Payment for the services specified in the purchase options included in Sections D and E of the Price Schedule will be due upon satisfactory provision of services.
- 15.5 As part of the purchase order preparation process described in clause 6 above, the Contractor may propose specific payment schedules for the execution of work or deliveries called under this Contract through purchase orders. However, such payment schedules will not be valid unless included in the purchase order approved by the Organisation. In proposing such payment schedules, the Contractor shall make sure that payment milestones are aligned with test and acceptance milestones.
- 15.6 Payments will be made in the currency specified in the Contract or purchase orders.

16 NATO PROJECT MANAGER

- 16.1 For its direct official control and coordination requirements, the Organisation designates the individual specified below as the staff element that has authority to coordinate, monitor, and control Contractor's performance under this Contract:

Cosmin Croitor
NATO Office of Resources
NATO Headquarters
Boulevard Leopold III
B-1110 Bruxelles, Belgium
Tel: + 32-(0)2-707-3716
E-mail: croitor.cosmin@hq.nato.int

- 16.2 The Organisation 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 contract modification.

- 16.3 The Organisation's focal point stated above has no authority to change the terms and conditions of the Contract or to order services under the Contract.
- 16.4 If the Contractor has a reason to believe that a purported representative of the Organisation is requiring effort based on terms inconsistent with those specified in the Contract, the Contractor shall immediately inform the Organisation's Procurement Service for ratification of the actions. Failure to obtain confirmation that the actions of Organisation's employees, agents or representatives are under the authority of the contract shall render any subsequent claim null and void.
- 16.5 Upon receipt of such notification above, the Organisation'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.

17 PROJECT CHANGES

- 17.1 The NOR System Evolution Project will be subject to the Change Control procedures established by the Organisation's Project Manager designated in the Contract. The stated procedures will normally specify that project changes must be authorised by the Project Board or a designated Change Authority.
- 17.2 Project changes that affect any of the terms and conditions of the Contract will not be legally binding on the Parties unless documented through a formal bilateral contract modification or through the change order procedure established in clause 6 (Change Orders) of the General Terms and Conditions of the Contract. Any project changes which are implemented by the Contractor without the prerequisite contract modification or change order will be at the Contractor's own expense and risk.

18 VALUE ENGINEERING

- 18.1 The Contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates specified in this clause.
- 18.2 Definitions:
- 18.2.1 "Procurement savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the NATO IS Procurement Service for the NATO International Staff. Procurement savings include:
- 18.2.1.1 Instant Contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;
- 18.2.1.2 Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and
- 18.2.1.3 Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options,

additional orders, and funding of subsequent year requirements on a multiyear contract.

- 18.2.2 “Collateral savings,” as used in this clause, means those measurable net reductions resulting from a VECP in the NATO IS overall projected collateral costs, exclusive of procurement savings, whether or not the procurement cost changes.
- 18.2.3 “Contractor’s development and implementation costs,” as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by the Organization’s acceptance of a VECP.
- 18.2.4 “Future unit cost reduction,” as used in this clause, means the instant unit cost reduction adjusted as the Organization considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either:
- 18.2.4.1 Throughout the sharing period, unless the Organization decides that recalculation is necessary because conditions are significantly different from those previously anticipated; or
- 18.2.4.2 To the calculation of a lump-sum payment, which cannot later be revised.
- 18.2.5 “Organization’s costs,” as used in this clause, means those costs incurred by the Organization that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this Contract’s cost or price resulting from negative instant contract savings.
- 18.2.6 “Instant Contract,” as used in this clause, means this Contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance.
- 18.2.7 “Instant unit cost reduction” means the amount of the decrease in unit cost of performance (without deducting any Contractor’s development or implementation costs) resulting from using the VECP on this, the Instant Contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labour rate.
- 18.2.8 “Negative instant contract savings” means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor’s allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.
- 18.2.9 “Net procurement savings” means total procurement savings, including instant, concurrent, and future contract savings, less Organization’s costs.
- 18.2.10 “Sharing base,” as used in this clause, means the number of end items on contracts of the NATO IS Procurement Office affected by the acceptance of the VECP.

18.2.11 “Sharing period,” as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the Organization for each VECP.

18.2.12 “Unit,” as used in this clause, means the item or task to which the Organization and the Contractor agree the VECP applies.

18.2.13 “Value engineering change proposal (VECP)” means a proposal that:

18.2.13.1 Requires a change to this, the instant contract, to implement; and

18.2.13.2 Results in reducing the overall projected cost to the Organization without impairing essential functions or characteristics; provided, that it does not involve a change (i) In deliverable end item quantities only; (ii) In research and development (R&D) end items; or R&D test quantities that is due solely to results of previous testing under this contract; or (iii) To the contract type only.

18.3 VECP preparation:

18.3.1 As a minimum, the Contractor shall include in each VECP the information described in paragraphs 18.3.1.1 through 18.3.1.8 of this clause. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

18.3.1.1 A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item’s function or characteristics are being altered, the effect of the change on the end item’s performance, and any pertinent objective test data.

18.3.1.2 A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.

18.3.1.3 Identification of the unit to which the VECP applies.

18.3.1.4 A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor’s allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause.

18.3.1.5 A description and estimate of costs the Organization may incur in implementing the VECP, such as test and evaluation and operating and support costs.

18.3.1.6 A prediction of any effects the proposed change would have on collateral costs to the Organization.

18.3.1.7 A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.

18.3.1.8 Identification of any previous submissions of the VECP, including the dates submitted, the NATO offices and contract numbers involved, and previous Organization’s actions, if known.

18.4 Submission and Organization’s Actions

- 18.4.1 The Contractor shall submit VECP's to the Procurement Officer designated in the Contract, unless this Contract states otherwise.
- 18.4.2 The Procurement Officer will notify the Contractor of the status of the VECP within 60 calendar days after the Procurement Office receives it. If additional time is required, the Procurement Officer will notify the Contractor within the 60-day period and provide the reason for the delay and the expected date of the decision. The Organization will process VECP's expeditiously; however, it will not be liable for any delay in acting upon a VECP.
- 18.4.3 If the VECP is not accepted, the Procurement Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Organisation. The Organisation may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.
- 18.4.4 Any VECP may be accepted, in whole or in part, by the Organisation's award of a modification to this contract citing this clause and made either before or within a reasonable time after Contract performance is completed. Until such a contract modification applies a VECP to this Contract, the Contractor shall perform in accordance with the existing Contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Organisation.
- 18.5 Sharing rate. If a VECP is accepted, the Contractor shall share 30 % in net procurement savings.
- 18.6 Calculation of net procurement savings
- 18.6.1 Procurement savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see paragraph 18.8 of this Clause). Net procurement savings are first realized, and the Contractor shall be paid a share, when Organisation's costs and any negative instant contract savings have been fully offset against procurement savings.
- 18.6.2 Organisation's costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net procurement savings by the Contractor's percentage sharing rate specified in paragraph 18.5 of this clause. Additional Contractor shares of net procurement savings shall be paid to the Contractor at the time realized.
- 18.6.3 If the Organisation does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Organisation for the proportionate share of these payments.
- 18.7 Contract adjustment. The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall:
- 18.7.1 Reduce the contract price or the price of options by the amount of instant contract savings;
- 18.7.2 When the amount of instant contract savings is negative, increase the contract price or the price of options by that amount;

- 18.7.3 Specify the Contractor's euro share per unit on future contracts, or provide the lump-sum payment;
- 18.7.4 Specify the amount of any Organisation's costs or negative instant contract savings to be offset in determining net procurement savings realized from concurrent or future contract savings; and
- 18.7.5 Provide the Contractor's share of any net procurement savings under the instant contract by adding the corresponding amount to the contract price or to the price of options.
- 18.8 Concurrent and future contract savings.
- 18.8.1 Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with paragraph 19.7 above. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.
- 18.8.2 The Organisation shall calculate the Contractor's share of concurrent contract savings by:
- 18.8.2.1 Subtracting from the reduction in price negotiated on the concurrent contract any Organisation's costs or negative instant contract savings not yet offset; and
- 18.8.2.2 Multiplying the result by the Contractor's sharing rate.
- 18.8.3 The Organisation shall calculate the Contractor's share of future contract savings by:
- 18.8.3.1 Multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period;
- 18.8.3.2 Subtracting any Organisation's costs or negative instant contract savings not yet offset; and
- 18.8.3.3 Multiplying the result by the Contractor's sharing rate.
- 18.8.4 When the Organisation wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Organisation's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract and shall not be subject to subsequent adjustment.
- 18.8.5 Alternate no-cost settlement method. When the Organisation and the Contractor mutually agree to use the no-cost settlement method, the following applies:
- 18.8.5.1 The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.
- 18.8.5.2 The Organisation will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.
- 18.9 Collateral savings. If a VECP is accepted, the Organisation will increase the instant contract amount by a rate from 20 to 50 percent, as determined by the Organisation, of

any projected collateral savings determined to be realized in a typical year of use after subtracting any Organisation's costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price or price of options, at the time the VECP is accepted, or € 100,000, whichever is greater. The Organisation will be the sole determiner of the amount of collateral savings.

- 18.10 Relationship to other incentives. Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.
- 18.11 Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract of €150,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Organisation under this Contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments, provided, that the payments shall not reduce the Organisation's share of concurrent or future contract savings or collateral savings.
- 18.12 Intellectual Property Rights Restrictions. The Contractor may restrict the Organisation's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:

This product, furnished under the Value Engineering clause of contract [insert contract reference], shall not be disclosed outside NATO or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Organisation's right to use information contained in this product if it has been obtained or is otherwise available from the Contractor or from another source without limitations.

If a VECP is accepted, the Contractor hereby agrees that all Intellectual Property Rights relating to the VECP will be immediately and exclusively transferred and assigned to the Organisation as from the time of the acceptance of the VECP by the Organisation, except that, with respect to IPR qualifying and submitted as Contractor's or Third Party Background IPR, the Organisation shall have the rights and obligations specified in clause 24 of the Contract.

19 CONTRACTOR'S EMPLOYEES

- 19.1 The Contractor shall provide and pay, as required, qualified personnel as needed for the proper performance of the services required under this Contract; it shall strictly comply with all Host Nation Labour Laws, tariffs and social security and other regulations applicable to the employment of its personnel.
- 19.2 The Organisation 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.

- 19.3 The Contractor shall inform its employees, agents, and representatives under this Contract of the terms of the Contract and the conditions of the working environment.

20 INDEPENDENT CONTRACTOR

- 20.1 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 Organisation.
- 20.2 The Contractor warrants that he and his Subcontractors are duly authorised 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 Contract; that he and his Subcontractors are responsible for ascertaining and complying with all the national and local laws, decrees, labour standards and regulations, including any NATO regulations, during the performance of this Contract; and that no Claim for additional monies with respect to any authorisations to perform will be made upon the Organisation.

21 KEY PERSONNEL

- 21.1 Contractor's employees or agents specifically identified in the Contractor's Proposal as Key Personnel will be considered as Key Personnel for the performance of the Contract. Without prejudice to other applicable stipulations of the Contract, Key Personnel shall be subject to the terms and conditions specified below.
- 21.2 A Key Personnel assigned to this Contract shall remain working on the Contract for as long as required by the terms of the present Contract.
- 21.3 The Contractor shall guarantee that suitable backup personnel, with appropriate PSC (NATO SECRET level) at the time of involvement in the contract, will be available to promptly remedy situations of Key Personnel non-availability that may endanger the performance of services or deliverables set in the Contract.
- 21.4 The Organisation reserves the right to reject a Contractor's staff member after prior acceptance if the Organisation determines during contract performance that the individual is not providing the required level of support. The Organisation 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 Organisation's written notification.
- 21.5 The Organisation shall approve any replacement or additional Key Personnel according to the following procedure:
- 21.5.1 The Contractor shall provide the name(s), qualifications statement(s) and copy of PSC(s) of a nominee(s) for review by the Organisation 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 Contract. If the Organisation accepts the nominations, this acceptance will be notified in writing to the Contractor, who will be authorized to assign the nominated personnel to the Contract on the date(s) established in the stated notification.
- 21.5.2 If the Organisation 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.
- 21.6 If the Contractor fails to provide in due time a compliant candidate, the Organisation may terminate this Contract 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 Organisation may reasonably obtain delivery or performance of similar services.

- 21.7 The delay stated above shall be counted from the day the Organisation notifies the Contractor, in accordance with paragraph 21.4 above, that the alternate nominees are considered to be non-compliant or inappropriate for the required services according to the requirements of the Contract.

22 SUBCONTRACTORS

- 22.1 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 Contract.
- 22.2 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 Contract in full.
- 22.3 The Contractor is not authorized to place sub-contracts outside the NATO member Nations.
- 22.4 The Contractor must not subcontract for the entire duration of the Contract more than 40% of the staffing resources or labour hours/work required for the successful completion of the Contract. This restriction does 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.
- 22.5 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 personal security clearance by the subcontractor's national authorities, which is still in effect, prior to being given access to such classified information.
- 22.6 The Contractor shall seek the approval in writing of the Organisation prior to the placing of any subcontract if the subcontract was not identified in the Contractor's Proposal.
- 22.7 In addition to the approval required under 22.6, 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.
- 22.8 The Organisation'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 Contract.

23 TANGIBLE PRODUCTS: OWNERSHIP, TITLE, AND RISK OF LOSS

- 23.1 Unless otherwise provided in the Contract, ownership and title to all tangible products delivered under this Contract will pass to the Organisation only upon written acceptance by the Organisation. Where the Contract or purchase orders issued under the Contract provide for provisional Acceptance and final Acceptance, ownership and title will pass to the Organisation upon written notification of final Acceptance.
- 23.2 In such case as the stated products have been delivered by the Contractor and offered for inspection and the Organisation 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 Organisation.

- 23.3 Risk of loss or damage to products covered by this Contract shall remain with the Contractor until, and shall pass to the Organisation upon Acceptance by the Organisation, or receipt of the supplies or products by the Organisation at the destination specified in the Contract or purchase orders, whichever is later.
- 23.4 Notwithstanding paragraph 23.3 above, the risk of loss or damage to supplies which fail to conform to the requirements of the contract shall remain with the Contractor until cure and Acceptance, at which time 23.3 above shall apply.
- 23.5 Notwithstanding paragraph 23.3 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 Organisation acting within the scope of their employment.
- 23.6 Ownership and title to Intellectual Property delivered under the Contract shall be governed by other provisions of the Contract and more particularly by the provisions of clause 24 below.

24 INTELLECTUAL PROPERTY RIGHTS

- 24.1 Clause 10 of the General Terms and Conditions of the Contract is superseded by this clause.
- 24.2 Background IPR
- 24.2.1 NATO's Background IPR
- 24.2.1.1 The Contractor is licensed to use, non-exclusively and royalty-free any NATO's Background IPR that is or will be made available for the sole purpose of carrying out work pursuant to the Contract.
- 24.2.1.2 The Contractor shall not use any NATO's Background IPR other than for the purpose of carrying out work pursuant to the Contract without the prior written agreement of the Organisation. Any such agreement will include the terms relating to such use.
- 24.2.1.3 The Organisation gives no warranty as to the validity of any NATO's Background IPR. The Contractor shall not do anything or act in any way, which is inconsistent with or prejudicial to the ownership by the Organisation of any NATO's Background IPR.
- 24.2.2 Contractor Background IPR
- 24.2.2.1 Any use of Contractor Background IPR for the purpose of carrying out work pursuant to the Contract shall, subject to any obligation on the part of the Contractor to make payments to any third party in respect of IPR, which is licensed, from such third party, be free of any charge to the Organisation. Except as noted below, the Contractor hereby grants to the Organisation a worldwide, non-exclusive, non-transferable (except as provided herein), license to use and authorise others to use on the Organisation's behalf any Contractor Background IPR for any NATO business purpose. For purposes of this Clause, the term "Organisation" shall include the Organisation and its Affiliates and their respective employees and authorized contractors and agents.
- 24.2.2.2 Nothing in the Contract shall be deemed to restrict the Contractor's right to use its own Background IPR for purposes other than work in pursuance of the Contract.

24.3 Foreground IPR

- 24.3.1 All Foreground IPR is the property of the Organisation. Consequently, no statement shall be made restricting the rights of the Organisation. All Foreground IPR are immediately and exclusively transferred and assigned to the Organisation as from their coming into existence or, as the case may be, as from the conclusion of this Contract for rights already in existence at the time of execution of this Contract.
- 24.3.2 The Contractor undertakes to ensure that suitable arrangements are in place as between its employees and itself regarding Foreground IPR generated by employees to allow the Contractor to fulfil its obligations under clause 24.3.1 above.
- 24.3.3 The Contractor shall be entitled to use Foreground IPR on a non-exclusive, royalty free basis solely for the purpose of carrying out the work under this Contract.
- 24.3.4 The Contractor shall not use any Foreground IPR other than for the purpose of carrying out work pursuant to the Contract without the Organisation's prior written agreement. Any such agreement will include notification of the intended end-user and the terms relating to such use.
- 24.3.5 The Contractor shall, as requested and at the expense of the Organisation, do all things necessary to enable the Organisation to obtain patent or similar protection or registration of a design as the Organisation may require and to execute any formal assignment or other documents as may be necessary to vest title to any Foreground IPR in the Organisation.
- 24.3.6 The Contractor undertakes to notify the Organisation promptly of any invention or improvement to an invention or any design conceived or made by the Contractor and to provide the Organisation with such information as the Organisation may reasonably request in order to determine the patentability of such invention or improvement or the registrability of such design and the potential value to the Organisation of such a patent or registration if issued.
- 24.3.7 If the Organisation determines that it wishes to apply for one or more patents for the disclosed invention or improvement or for a registration for the disclosed design, it will prosecute such application(s) at its own expense. The Contractor undertakes to provide the Organisation, at the Organisation's expense, with such information and assistance as the Organisation shall reasonably require to prosecute such application(s).

24.4 Third Party IPR

- 24.4.1 Except for the Third Party IPR provided to the Contractor as NATO Furnished Property and Services and authorised Background IPR stated in clause 25 below, where Third Party IPR is the subject of a licence or other agreement between the third party and the Organisation or the Contractor, the Contractor shall not use any Third Party IPR for the purposes of carrying out work pursuant to the Contract without the approval of the Organisation. Contractor shall inform Organisation in advance of any restrictions on the Organisation's use.
- 24.4.2 If, after the award of the Contract, the Contractor becomes aware of the existence of any Third Party IPR, which the Contractor is using or believes, is needed for the performance of the Contract, the Contractor shall immediately give the Organisation a written report identifying such IPR.

24.5 Subcontractor IPR

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

25 LIST OF AUTHORISED BACKGROUND IPR

- 25.1 The Contractor is authorised to use the Background IPR stated in the Contractor's Proposal for the purpose of carrying out work pursuant to this Contract.
- 25.2 The Contractor warrants, undertakes, and represents that any derivative products that may be created under this Contract from the stated Background IPR shall be considered as Foreground IPR and, therefore, shall be governed by the terms and conditions specified in clause 24.3 above.
- 25.3 In order to guarantee compliance with paragraph 25.2 above, all open source IPR used by the Contractor for the creation of derivative products, or which will be distributed for use in combination with the products and systems included within the scope of the Contract, shall be subject to certified license models of the Open Source Initiative that allow the creation of proprietary derivative products from open source IPR, such as but not limited to the BSD License and the Simplified BSD License models, or the MIT License model.

26 PERMISSIBLE SCOPE OF USE FOR SOFTWARE LISTED AS THIRD PARTY BACKGROUND IPR

- 26.1 Unless otherwise stated in this Contract, IPR identified in the Contractor's Proposal as Third Party Background IPR, shall be subject to a world-wide, non-exclusive, royalty-free and irrevocable licence allowing the Organisation to use and authorise others to use on the Organisation's behalf the IPR for any NATO business purpose. For purposes of this clause, the term "Organisation" shall include NATO and its Affiliates and their respective employees and authorized contractors and agents.
- 26.2 Notwithstanding 26.1 above, the license agreements mentioned in clause 24.4.1 above may include the following restrictions on the Organisation's use of the Third Party IPR:
- 26.2.1 The Third Party IPR shall be used solely for NATO's business purposes;
- 26.2.2 The Organisation shall not caused the Third Party Software in any way to be disassembled, decompiled, or reverse engineered, except to the extent permitted by applicable law, nor shall any attempt to do so be undertaken or permitted; and
- 26.2.3 The Organisation shall not make the Third Party IPR available for access or use by any person or entity other than the Organisation's employees and authorized contractors and agents, including, but not limited to, acting as a service bureau. Notwithstanding the foregoing, the Organisation may serve as a service bureau for its affiliates.

27 CONFIDENTIALITY

- 27.1 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.

- 27.2 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 Organisation's immunity from any laws, regulation, and legal processes that may be applicable.
- 27.3 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.
- 27.4 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.

28 EXCLUSION AND CONFLICTS OF INTEREST

28.1 Scope

- 28.1.1 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.

28.2 Definitions

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

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

28.2.1.2 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.

28.2.2 “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.

28.3 Generic Contracting Exclusion

28.3.1 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 that are subject, or will be subject, to Independent Verification and Validation (IV&V) by the Contractor.

28.4 Duty of Disclosure

28.4.1 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 Contract.

28.4.2 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 Organisation. This disclosure shall include a description of actions which the Contractor has taken or proposes to take, after consultation with the Organisation, to avoid, mitigate, or neutralize the actual or potential conflict.

28.4.3 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 Organisation, the Organisation 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.

28.5 Additional Remedies

28.5.1 Without prejudice to the restrictions and remedies specified in the clauses stated above, the Organisation 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.

28.5.2 The decision to impose the contracting limitations stated in clause 28.5.1 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 Organisation’s Contracts Award Committee.

28.6 Duration

28.6.1 The provisions of this clause 28 and the associated Contractor’s duties shall survive the termination of this Contract and remain in effect until the Organisation 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 Contract close-out, whichever occurs first.

28.7 Waiver

28.7.1 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 Organisation, the Procurement Officer may grant such a waiver in writing.

28.7.2 As in the case of the contracting restrictions specified in paragraph 28.5 above, the concession of waivers under this clause shall also be subject to the final approval of the Organisation's Contracts Award Committee.

28.8 Flow-down

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

29 WARRANTIES AND REPRESENTATIONS

29.1 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 Contract.

29.2 The Contractor warrants, represents, and undertakes for the duration of the Contract that:

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

29.2.2 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 Contract;

29.2.3 It has and will continue to have the Background IPR required for the performance of this Contract as further detailed in the Contractor's Proposal.

29.2.4 In performing its obligations under this Contract, all software used by or on behalf of the Contractor will:

29.2.4.1 Be currently supported versions of that software, including the most recent version of the software supported by Organisation's architecture; and

29.2.4.2 Perform in all material respects in accordance with the requirements of the Contract and, solely to the extent not inconsistent, the software vendor technical documentation.

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

- 29.4 The Contractor shall use commercially reasonable measures to screen the System extensions and 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 Organisation's systems, or (b) to disable or damage the Organisation's systems. The Contractor warrants that the stated System extensions and 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 System. If any such code or device exists in the System, the Contractor shall not invoke such code or other device at any time, including upon expiration or termination of the Contract for any reason.
- 29.5 The Contractor warrants that all services provided to the Organisation under this Contract will be performed in a workmanlike manner.
- 29.6 The Contractor warrants that the NOR System Evolution PPM System shall perform substantially in accordance with the requirements of this Contract and, solely to the extent not inconsistent, the relevant System design documentation.
- 29.7 The Contractor will not be liable when a defect has been caused from a wilful damage, incompatible changes or gross negligence originated by the Organisation or its employees, but the burden of proof of that damage will be on the Contractor.
- 29.8 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 local health and safety provisions.
- 29.9 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.

30 WARRANTY PERIOD

- 30.1 The Warranty Period for any delivered services and products performed under this Contract shall be the longer of: (a) the specific warranty periods established in the SOW for individual deliverables; or (b) twelve months. The Warranty Period in all cases must commence upon Acceptance.
- 30.2 Throughout the Warranty Period the Contractor shall make good any:
- 30.2.1 Defects in the Deliverables; and
- 30.2.2 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 Contract (herein after collectively referred to as "Warranty Period Incidents") in accordance with this clause.
- 30.3 The Contractor shall correct all Warranty Period Incidents arising during the Warranty Period without cost to the Organisation.
- 30.4 If the Contractor fails to correct any Warranty Period Incidents within the timeframe specified in the SOW 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 Organisation may on 10 working days written notice:
- 30.4.1 Correct the Warranty Period Incident or employ a third party to correct it; and

- 30.4.2 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.
- 30.5 The Contractor shall deploy all such additional resources as are reasonably required to remedy any Warranty Period Incident as efficiently and quickly as possible.

31 IPR INDEMNIFICATION

- 31.1 Except as otherwise provided in this Contract, 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 Organisation of such services and Deliverables. The Contractor shall reimburse and/or indemnify the Organisation, 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 Organisation 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 Organisation in relation to said third party claims, including attorney fees. The Contractor shall be responsible for obtaining any licences necessary for the performance of this Contract and for making all other arrangements required to indemnify the Organisation from any liability for intellectual property right infringement in said countries.
- 31.2 The Contractor shall immediately notify the Organisation of any patent or copyright infringement claims of which the Contractor has knowledge and which pertain to the services and Deliverables under this Contract.
- 31.3 This indemnity shall not apply under the following circumstances:
- 31.3.1 Patents or copyright which may be withheld from issue by order of the applicable government whether due to security regulations or otherwise;
- 31.3.2 An infringement resulting from specific written instructions from the Organisation under this Contract;
- 31.3.3 An infringement resulting from changes or additions to the services and Deliverables subsequent to final delivery and Acceptance under this Contract.

32 LIMITATION OF LIABILITY

- 32.1 Nothing in this Contract 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.
- 32.2 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 30,000,000.
- 32.3 The limitations provided in this clause shall apply even if any other remedies fail of their essential purpose.

33 INSURANCE

- 33.1 The Contractor agrees to procure and maintain, without any cost to the Organisation, any workmen's compensation, employees' liability or other type of insurance required by mandatory labour and social security law.
- 33.2 The Contractor agrees to procure and maintain, without any cost to the Organisation, 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.

34 PERFORMANCE GUARANTEE

- 34.1 As a guarantee of performance under the Contract, the Contractor shall deposit with the Organisation within thirty (30) calendar days from the Effective Date of Contract, a bank guarantee to the value of ten per cent (10%) of the total Contract price;
- 34.2 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 Contract, shall be made payable to the Organisation and may be in the form of:
- 34.2.1 a certified cheque;
- 34.2.2 an irrevocable letter of credit; or
- 34.2.3 a bank guarantee such as a performance bond or promissory note;
- and subject to the agreement of the Organisation. The payment of the Performance Guarantee shall be made to the Organisation without question and upon first demand by the Organisation against a certificate from the Organisation's Head of Procurement that the Contractor has not fulfilled its obligations under the Contract. The Contractor shall have no right to enjoin or delay such payment.
- 34.3 Certified Cheques issued to fulfil the requirements of the Performance Guarantee will be cashed by the Organisation upon receipt and held in the Organisation's account until the term of the Performance Guarantee has expired.
- 34.4 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 Organisation.
- 34.5 The Contractor shall request in writing relief from the Performance guarantee upon expiration of the warranty period or such other period as may be specified in the Contract and, where appropriate, such relief will be granted by the Organisation.
- 34.6 The Contractor shall be responsible, as a result of duly authorised adjustments in the total Contract price and/or period of performance by the Organisation, for obtaining a commensurate extension and increase in the Performance Guarantee, the value of which shall not be less than ten per cent (10%) of the total Contract price (including all amendments), and for depositing such Performance Guarantee with the Organisation, within thirty (30) calendar days from the effective date of aforesaid duly authorised adjustment.

- 34.7 The failure of the Contractor to deposit such Performance Guarantee with the Organisation within the specified time frame, or any extension thereto granted by the Organisation's Contracting Authority, is a material breach of the Contract subject to the Termination For Default clause.
- 34.8 The rights and remedies provided to the Organisation under this clause are in addition to any other rights and remedies provided by law or under this Contract. The certificate described in clause 34.2 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 Contract.

35 NATO FURNISHED PROPERTY AND SERVICES

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

36 SECURITY

36.1 General

- 36.1.1 The Contractor shall designate a Security Officer who shall function as the point of contact between the Contractor and the Organisation for all security related matters. He/she is responsible for the correct behaviour of the Contractor personnel at NATO HQ regarding security, 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).

36.1.2 The Contractor shall execute the work in accordance with the Belgian labour laws regarding the protection of personnel and property.

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

36.1.4 A penalty of EUR 900 per day will be imposed for every member of the Contractor's staff who is put to work at NATO HQ and who is:

36.1.4.1 A national of a non-NATO Nation;

36.1.4.2 Illegally in Belgium;

36.1.4.3 Not in possession of a security clearance when such a clearance is required.

36.1.5 Every security incident will be reported to the National Security Authority by the NATO Office of Security.

36.2 Security Clearances

36.2.1 Personal Security Clearances (PSCs) are required in accordance with the requirements established in Part I para 2.3.1.1 and ANNEX B to the SOW.

36.2.2 The Contractor is responsible for ensuring that all PSCs are valid from the date of contract award and throughout implementation.

36.3 Confidentiality

36.3.1 The Contractor, its personnel and Subcontractors, MUST treat any information, equipment, knowledge, documents or other NATO Property issued or communicated to the Contractor in the performance of the Contract as confidential and not divulge it to third parties. The Contractor, its personnel and Subcontractors, may only utilise the information contained in the material for the purposes identified in the Contract. The Contractor, its personnel and Subcontractors, will continue to be bound by this undertaking after the expiry of the Contract.

36.3.2 The Contractor, its personnel and Subcontractors, MUST take all practical steps to keep the information confidential and shall restrict access to the information to the members of the Contractor's work force only. A Non-Disclosure Agreement (NDA) must be signed by all Contractor staff and Subcontractors assigned to the project in any capacity for their signature upon starting work.

36.3.3 The Contractor, its personnel and Subcontractors MUST NOT publicly announce the activities falling under this Contract without the prior written agreement of the Organisation.

36.4 Acknowledgement of Responsibilities

36.4.1 Wherever the Contractor uses its own staff or Subcontractors in performance of the Contract on site at NATO Headquarters, those staff shall be required to also sign an "Acknowledgement of Responsibilities" form, in addition to the Non-Disclosure Agreement stated in 36.3.2 above. This statement is intended to ensure that all project personnel will respect the confidentiality of any information brought to their attention in

the performance of the work and that they will not divulge to third parties or use for their own benefit or that of any third party any document or information not available publicly, even after completion of their assignment.

36.4.2 The Contractor (and all its members and subcontractors) and all their staff acknowledge that the misuse or improper retention of these documents shall render them liable to legal proceedings under the legislation of the NATO member states.

36.5 Security Measures

36.5.1 Contractor and Subcontractor Personnel

36.5.1.1 The Contractor MUST allow only trustworthy and legal personnel to be involved in the Contract. The use of illegal personnel gives the Organisation the right to terminate the Contract immediately without any compensation to the Contractor.

36.5.1.2 Based on the information available to the Organisation, the HQSO has the right to refuse members of the Contractor's staff without having to provide a justification. The Contractor shall not hold the Organisation liable for the consequences of such a decision.

36.5.1.3 The Contractor accepts responsibility for irregular/illegal behaviour of its staff.

36.5.1.4 A copy of the PSC of individuals who may be employed in the setting of the Contract, and a proof that the holder has received a security briefing in accordance with the procedures of the holder's National Security Authority, must be in the possession of the HQSO at the latest ten (10) calendar days before an individual will be allowed access to the security zones.

36.5.1.5 Personnel whose presence at NATO HQ is not accepted or becomes undesirable shall immediately leave the site. The Contractor shall not hold the Organisation liable for the consequences of such a decision.

36.5.1.6 The Contractor shall inform his staff about the access control procedures at NATO HQ i.e. search of individuals, their luggage and vehicles.

36.5.2 Work at NATO HQ

36.5.2.1 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.

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

36.5.2.3 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.

36.5.2.4 It is strictly unauthorised to bring weapons, explosives or, dangerous materials into NATO HQ without the proper licences and authorisations from the HQSO.

36.5.2.5 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.

- 36.5.2.6 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:
- 36.5.2.6.1 the equipment is absolutely necessary for the contractual work;
 - 36.5.2.6.2 the equipment is not equipped with a camera;
 - 36.5.2.6.3 all recording (e.g. voice) and transmission capabilities (e.g. Bluetooth, wireless technology e.g. IEEE 802.11x protocol, WiFi) have been switched off;
 - 36.5.2.6.4 the equipment is not connected to NATO HQ networks;
 - 36.5.2.6.5 the owner follows the instructions from HQ security officials;
 - 36.5.2.6.6 the equipment may be subjected to security inspections.
- 36.5.2.7 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 Contract.
- 36.5.2.8 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.
- 36.5.2.9 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.
- 36.5.2.10 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 Contract, not for personal use after agreement by the NATO Office of Security.
- 36.5.2.11 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.

**NORTH ATLANTIC TREATY ORGANISATION (NATO)
REQUEST FOR PROPOSAL**

RFP – 2012/08

**NOR SYSTEM EVOLUTION PROJECT – PPM SYSTEM
ACQUISITION, IMPLEMENTATION AND SUPPORT
SERVICES**

PART III – CONTRACT GENERAL TERMS AND CONDITIONS

PART III – CONTRACT 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 Organisation 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 Organisation": any of the current and future entities included within the civilian or military structures of the North Atlantic Treaty Organisation 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 Organisation 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 Organisation, 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 "Organisation": the North Atlantic Treaty Organisation, legal entity signatory of the Contract and bond 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 Organisation.
- 2.1.14 "NATO HQ" shall refer to the Headquarters of the North Atlantic Treaty Organisation.
- 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 Organisation, 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 Organisation, 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 Organisation thereof.
- 4.3 No representative appointed by the Organisation 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 Organisation'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 Organisation confirms acceptance of the supplies or services in accordance with the procedure specified in the Contract, or if none is so specified then the Organisation 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 Organisation has taken the supplies or services into use;
- 4.5.2 The Organisation 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 Organisation's representatives on the premises of the Contractor or Subcontractor, the Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the Organisation's representatives in the performance of their duties. The Organisation's representatives responsible for tests and inspections shall have the right of access to any area of the Contractor's or its Subcontractor'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 Subcontractor, it shall be at the expense of the Organisation except as otherwise stated in this Contract; provided that in case of rejection the Organisation 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 Organisation shall be performed in such a manner as not to unduly delay the work. The Organisation reserves the right to charge to the Contractor any additional cost of Organisation 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 Organisation or any products are defective in design, quality or are otherwise not in conformity with the requirements of this Contract, the Organisation 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 Organisation, 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 Organisation 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 Organisation may, at its sole discretion, declare the Acceptance provisional. In this case, the Organisation 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, Financial Control Office, Accounts Payables Section, in duplicate. Each copy of the invoices 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 show the reference and give a description of the services delivered.
- 5.2 The Organisation 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 Organisation 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 Organisation 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 Organisation 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 Organisation 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 Organisation.
- 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 Organisation 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 Organisation 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 Organisation that causes a change shall be treated as a Change Order under this clause, provided, that the Contractor gives the Organisation 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 Organisation as a Change Order. The timely written notice requirement, as detailed above, remains in force in all cases, even where, for example, the Organisation has positive knowledge of the relevant facts.

7 STOP WORK ORDERS

- 7.1 The Organisation 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 Organisation 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 Organisation 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 Organisation 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 Organisation.
- 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:
- 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.*
- 8.5 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 Organisation, where the Claim is based on defective specifications provided by the Organisation, or in case of alleged misrepresentation by the Organisation during Contract formation.
- 8.6 No Claim arising under this Contract may be assigned by the Contractor without the Organisation's prior approval.
- 8.7 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.
- 8.8 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 Organisation's General Pricing Principles (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 Organisation in accordance with Organisation's Pricing Principles, or such other format as may be agreed between the Contractor and the Organisation.
- 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 Organisation.
- 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 Organisation 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 Organisation, 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 Organisation 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 Organisation 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

Title of Signatory

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 Organisation without competition, the Contractor shall offer prices on a "Preferred Customer" basis, that is offer prices which are as favourable as those extended to any Government, Agency, Company, Organisation or individual purchasing or handling like quantities of equipment, 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 Organisation 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 Organisation'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 Organisation 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 Organisation 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 Organisation.
- 10.2 Background IPR. Background IPR shall remain the property of the Party who owns the IPR. The Organisation hereby grants to Contractor a royalty-free, non-exclusive, non-transferable license to use the Organisation'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 Organisation a perpetual, royalty-free, non-exclusive, non-transferable license to use Contractor's Background IPR as required to allow the Organisation 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 Organisation 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 This Contract shall be governed, interpreted, and construed in accordance with the laws of Belgium. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Contract.
- 12.2 The Contractor confirms that it has been notified by the Organisation prior to the signing of this Contract to the effect that the Organisation, including its personnel, assets, and facilities, enjoys immunity from any laws, regulations, and legal processes that may be applicable. 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 Organisation 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 Organisation, 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 Organisation of any item 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 Organisation 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 Organisation 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 Organisation 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 Organisation shall notify the Contractor in writing.

18.2 The Organisation 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 Organisation 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 Organisation 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 Organisation may authorise in writing) after receipt of notice in writing from the Organisation specifying such failure and identifying any circumstances which exist which may be considered excusable delays under clause 19.6 hereto.

19.3 The Organisation 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 Organisation 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

Organisation. The Organisation 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 Organisation's rights to terminate the Contract for default.

- 19.4 At the end of the period of forbearance, which may be extended at the Organisation's discretion, the Organisation 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 Organisation terminates this Contract in whole or in part, as provided in clause 19.1, the Organisation may procure, upon such terms and in such manner as the Organisation may deem appropriate, services or products similar to those so terminated, and the Contractor shall be liable to the Organisation 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 Organisation 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 Organisation, in addition to any other rights provided in this clause and the Contract, may require the Contractor to transfer title and deliver to the Organisation, in the manner and to the extent directed by the Organisation:
- 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 fulfilment 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 fulfilment 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 Organisation, protect and preserve property in the possession of the Contractor in which the Organisation has an interest. Payment for completed products, works, or services delivered to and accepted by the Organisation shall be at the Contract price. Payment for Work In Process delivered to and accepted by the Organisation and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Organisation, failure to agree to such amount shall be a dispute within the meaning of clause 13 of this Contract.

The Organisation may withhold from amounts otherwise due to the Contractor for such completed services or products or Work In Process such sum as the Organisation determines to be necessary to protect the Organisation 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 Organisation 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 Organisation. This disclosure shall include a description of the actions which the Contractor has taken or proposes to take, after consultation with the Organisation, to avoid the deviation and any cost and price data that may be reasonably required by the Organisation in order to assess any price reductions that the Organisation 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 Organisation. If such a deviation results in a reduction of the costs originally foreseen by the Contractor for the performance of the Contract, the Organisation 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 Organisation, the Organisation 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 favourable treatment with regard to the award, modification or execution of this Contract.
- 22.2 The Organisation may, by registered letter, terminate this Contract without prior notice if it is found, after an investigation instituted by the Organisation, 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 Organisation 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 not awarded on the basis of an adequate price competition as well as to all contract 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 Contributions.
- 2.1.3 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.
- 2.1.4 Depreciation of plant equipment or other capital assets.
- 2.1.5 Costs of normal maintenance and repair of plant, equipment and other capital assets.
- 2.1.6 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.
- 2.1.7 Travel costs, except those which, according to the terms of the contract, are to be charged directly to it.

- 2.1.8 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 Organisation 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 Organisation 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.

**NORTH ATLANTIC TREATY ORGANISATION (NATO)
REQUEST FOR PROPOSAL**

RFP – 2012/08

**NOR SYSTEM EVOLUTION PROJECT – PPM SYSTEM
ACQUISITION, IMPLEMENTATION AND SUPPORT
SERVICES**

PART IV – STATEMENT OF WORK

PART IV – STATEMENT OF WORK (SOW)

1 GENERAL

1.1 PURPOSE

- 1.1.1 This document establishes the detailed scope of the work and services to be provided under the Contract, the objectives intended by the Organisation, the specific deliverables and work requirements, and any relevant constraints and prerequisites for the provision of the products, works, and services stated in the Contract.

1.2 NATO OFFICE OF RESOURCES

- 1.2.1 The NATO Office of Resources (NOR) is the focal point for financial management and implementation monitoring of the military **common funded resource programs** at NATO Headquarters (NATO HQ) and works in close consultation and cooperation with the many other stakeholders to deliver military capabilities.
- 1.2.2 As part of a NATO Resource Reform process, the NOR has instituted the NOR System Evolution project aimed at enhancing the NATO resource management Business processes by increasing the levels of transparency, accountability and efficiency while fully taking into account current best practices in public finance.
- 1.2.3 To support these 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, analysing, validating, recording, consolidating and reporting information on current and planned common funded military resources in terms of Investment, Operation and Maintenance and Manpower costs.

1.3 VISION, MISSION AND INTENDED BENEFITS

- 1.3.1 Vision – The PPM solution will enable NOR to improve and further integrate military common-funded resource management by collecting, analysing and reporting financial and implementation information in a timely and accurate manner.
- 1.3.2 Mission – The PPM solution will provide the technical framework to support management and monitoring of common-funded military resources in terms of Investment, Operations and Maintenance (O&M) running and Manpower costs.
- 1.3.3 Overall intended benefits from the PPM solution:
- Transparency.* Enable quality and timely exchange of information between NATO stakeholders involved in resource management.
- Accountability.* Increase the accountability of Host Nations for the use of resources provided by the NATO nations.
- Value-Added.* Increase NOR analysis and reporting capabilities while retaining flexibility and scalability for future information needs.
- Decision Making.* Provide better management information for decision makers at all levels, as a result of quality and timely provision of information by Host Nations.
- Efficiency and Automation.* Increase NOR productivity, by reducing paperwork and data manipulation through remote inputs and automated outputs resulting in the ability to dedicate more time to value-added financial analysis activities.

Best Practices: Ensure NATO's resource management processes reflect best practices in public finance through the capabilities embedded in the PPM system.

1.4 OVERALL SCOPE OF WORK

- 1.4.1 The Contractor shall deliver a fully functioning information system solution that responds to the System Requirements Specifications described in PART IV, using a Commercial off the Shelf (COTS) Project Portfolio Management (PPM) system.
- 1.4.2 The Contractor shall provide the required system and shall support it in terms of software patches, updates and new releases / upgrades for a period of 10 years, starting from the initial Go-live date of the new system.

1.5 IMPLEMENTATION DURATION AND APPROACH

- 1.5.1 The Organisation expects the total duration of the system implementation to be from the Project Start Date (provided that it is no later than 1 March 2013) to 1 January 2015.
- 1.5.2 The Organisation is in favour of a phased Implementation and Go-live approach. The Organisation foresees 2 Go-lives (i.e. Initial Go-live and Final Go-live respectively).
- 1.5.3 Initial Go-live is foreseen not later than 1 January 2014 and is planned to include NSIP related functionalities and all compliance, security and technical requirements. The Organisation expects the duration of the system implementation, from the Project Start Date to Initial Go-live, to be between 6 to 9 months. Testing, training and data conversion for NSIP related functionalities and all compliance, security and technical requirements shall be performed before Initial Go-live.
- 1.5.4 The Final Go-live is foreseen not later than 1 January 2015. Subsequent to the Initial Go-live date, during a period between 6 to 9 months, the functionalities related to Military Budget and Manpower are planned to be implemented. Changes to NSIP functionalities and compliance, security and technical requirements as a result of live operations will also be performed in this period. Testing, training and data conversion for Military Budget and Manpower related functionalities shall be performed before Final Go-live.
- 1.5.5 The detailed functional areas and the users that will be included in the 2 Go-lives will be defined in the Implementation Plan.
- 1.5.6 The system support from the Contractor is foreseen for a period of 10 years (yearly purchasing option) starting from initial Go-Live date of the new system.
- 1.5.7 On-site functional and technical support from the Contractor is foreseen (as purchasing option) subsequent to the 8 weeks after Final Go-live in a package of 100 man-days, on a scope and schedule agreed at the time of the Organisation exercising this option. Optional subsequent functional and technical support services, during a period of 3 (three) years starting after the 8 weeks related to the Final Go-live, can be requested on a scope and schedule agreed at the time of the Organisation exercising this option.
- 1.5.8 Figure 1 below is a graphical representation of the envisioned implementation and support planning and timelines.

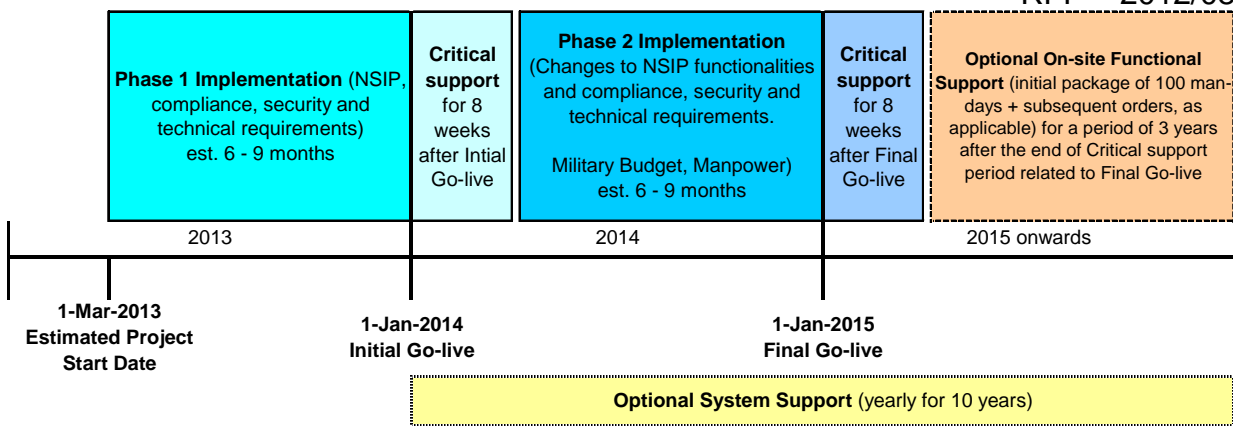


Figure 1. PPM Implementation and support planning and timelines

1.5.9 Constraint: The Contractor will take into account the NOR activity pattern (reduced activity in July and August; Office closed during winter break) when producing the Implementation Plan. ANNEX D to Part IV provides more information on organisational tempo at NATO HQ.

1.5.10 Constraint: The Contractor will take into account the planned move of applications to New NATO HQ as from end 2015.

2 DEFINITIONS AND ACRONYMS.

CED	Contract Effective Date
COTS	Commercial off The Shelf
MB	Military Budget
NOR	NATO Office of Resources
NSIP	NATO Security Investment Programme
PPM	Project Portfolio Management
RFP	Request for Proposal
SOW	Statement Of Work
SyRS	System Requirements Specification

Refer also to the Glossary of Terms and Abbreviations enclosed as a separate document in the Request for Proposal package.

3 CONTRACTOR'S PERSONNEL AND RESOURCES

3.1 GENERAL REQUIREMENTS

- 3.1.1 The Contractor must guarantee availability of enough qualified personnel so as to be able to deliver the products and services specified in this SOW.
- 3.1.2 Contractor's personnel and Subcontractors having access to NATO classified information, NATO classified networks, or NATO HQ site must be in possession of a valid NATO security clearance up to NATO SECRET level at the time of bid submission, and remain valid throughout the period of the contract.
- 3.1.3 Contractor's personnel and Subcontractors performing services at NATO facilities or in direct contact with NATO staff and stakeholders must also meet the following requirements:
 - 3.1.3.1 Be nationals of a NATO member country.
 - 3.1.3.2 Have computer and local area network skills and be conversant with office support tools (MS Office) tied to an MS Windows operating system environment.
 - 3.1.3.3 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.
 - 3.1.3.4 Have good writing and communication skills.
 - 3.1.3.5 Be available to work on site in Brussels - Belgium, as required for the performance of the Contract.
- 3.1.4 All Contractor's personnel and Subcontractors performing services under the contract shall be required to sign a Non-Disclosure Agreement. Contractor's personnel and Subcontractors performing services on site at NATO Headquarters shall be required to also sign a Certificate of Acknowledgement of Responsibilities, in addition to the Non-Disclosure Agreement. Contractor's personnel and Subcontractors performing services on site at NATO Headquarters and having access to NATO SECRET network shall be required to also sign the Information Systems Security Operating Procedures (SecOps), in addition to the Non-Disclosure Agreement and the Certificate of Acknowledgement of Responsibilities.
- 3.1.5 All requests to the Contractor shall be formulated by the NATO Project Manager.
- 3.1.6 All deliverables produced by the Contractor shall be subject to quality check by the NATO Project Manager and other NATO stakeholders as appropriate, having initially been approved by the Contractor organisation's internal quality assurance system.

3.2 SPECIFIC QUALIFICATION REQUIREMENTS FOR CONTRACTOR'S KEY PERSONNEL

- 3.2.1 Specific qualification requirements for Contractor's Key Personnel are specified in ANNEX B to the SOW.

4 PROJECT LOCATION

- 4.1 The project shall take place at NATO HQ in Brussels.
- 4.2 The Organisation allows proposing a global delivery model (i.e. off-site activities) for Development and Unit Testing activities. However such delivery model would need to comply with the requirements specified in the Contract and more particularly with the restrictions imposed by NATO security and financial regulations.

5 QUALITY ASSURANCE

- 5.1 The Organisation will evaluate the contractor's performance under this contract using the method of surveillance specified by the NATO technical representative designated in the Contract. All surveillance observations will be recorded by the NATO Technical Representative or his/her designee(s).
- 5.2 Performance Evaluation Meetings: the Contractor's contract manager may be required to meet periodically and at the beginning of contract performance with the NATO technical representative and the Procurement Officer. Meetings will be scheduled as needed. The Contractor may request meetings whenever an unsatisfactory performance report is issued. The written minutes of these meetings shall be approved by the Contractor's contract manager, the NATO Procurement Officer, and the NATO Technical Representative. 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.

6 HOURS OF OPERATION

- 6.1 Contractor's personnel must work during official working hours (normally between 8:30–18:00, Monday to Thursday, and between 8:30-16:00 on Friday). Recognized holidays are official holidays approved by the NATO Headquarters. A list of the NATO official holidays for 2013 is included in Annex D to Part IV.
- 6.2 Exceptionally, Contractor's personnel may be required to work outside normal working hours.

7 NATO FURNISHED PROPERTY AND SERVICES

- 7.1 The Organisation will provide the Contractor with the following property and services for the performance of the Contract:
 - 7.1.1 Office space and furniture according to the Organisation standards to accommodate up to 5 members of the Contractor's team.
 - 7.1.2 Office capabilities (phone, printer, copier, etc.) as needed, as well as standard desktop computers connected to NATO networks and equipped with a standard Microsoft Windows/office software environment, and an internet connection. The initial office equipment furnished by the Organisation is composed of two workstations, one Unclassified with Internet Access and one Classified within a closed network. Additional office equipment needs and/or special software to be installed on the NATO desktop baseline shall be subject to the Organisation's acceptance and approval.
 - 7.1.3 Technical Architecture according to the specifications provided by the Contractor - refer to section 9.2.11.

(Costs for servers and storage are NOT to be included in the Contractor's price proposal).

- 7.1.4 For the Trainings activities: training rooms according to Organisation standards.
- 7.1.5 Application Database Administration (DBA) and DBA Services
 - 7.1.5.1 The Organisation will ensure all Application DBA and DBA services starting from the time when the PPM system will be hosted on Organisation's infrastructure and throughout the life of the project until its final acceptance.
 - 7.1.5.2 These services include, but are not limited to:
 - 7.1.5.2.1 PPM Application Environments (i.e. Development / Testing, Training / Pre-Production, Production) creation, cloning as required and regularly refreshed. Pre-Production and Production environments in particular will be cloned as required and regularly refreshed.
 - 7.1.5.2.2 Daily and ad-hoc DBA activities like backups, restore, purging, table size monitoring.
 - 7.1.5.2.3 Optimisation activities, including Performance (i.e. response time) optimisation activities, at application and database levels.
 - 7.1.5.2.4 Patching activities (i.e. applying software corrections) in the different application environments in coordination with the Contractor.
- 7.1.6 The Organisation will provide a Project Manager leading the project.

8 CONTRACTOR FURNISHED PROPERTY AND SERVICES

- 8.1 Except for those items or services specifically stated to be NATO furnished in clause 7 above, the Contractor shall furnish everything required to perform the Contract.
- 8.2 Subject to the signature of the Standard Operating Procedure (SOP), only laptops with no camera and recording capabilities are admitted at NATO HQ and have to pass a security screening. Only mobile phones with no camera are admitted at NATO HQ subject to the signature of the SOP and after further approval by the Organisation.

9 CONTRACTOR'S TASKS

- 9.1 The Contractor shall provide all required COTS PPM system components (hardware not included, except for the Initial Application Environment) to build the system that must respond to the System Requirements Specifications described in PART IV.
- 9.2 IMPLEMENTATION SERVICES RELATED TO THE COTS PPM SYSTEM
 - 9.2.1 Sections 9.2.2 to 9.2.6 describe the foreseen Phases of the Project. Sections 9.2.7 to 9.2.12 include specific Project Activities that may take place throughout different Project Phases. The mandatory required deliverables related to these Project Phases and Activities are included in Section 9.4 LIST OF REQUIRED DELIVERABLES.
 - 9.2.2 PREPARATION PHASE
 - 9.2.2.1 The Contractor shall review previously developed documentation and work with the Organisation's key staff to understand, refine and validate project goals, scope,

planning, documentation standards, constraints, success factors, project organisation, risks and issues.

9.2.2.2 The Project Preparation Phase must include at a minimum (described in more detail in 9.4 LIST OF REQUIRED DELIVERABLES):

9.2.2.2.1 Project Repository;

9.2.2.2.2 Complete Project Planning and Preparation (Project Plan and Detailed Work Plan);

9.2.2.2.3 Validated project Objectives, Scope and Approach;

9.2.2.2.4 Data Conversion Strategy;

9.2.2.2.5 Testing Strategy;

9.2.2.2.6 Training Strategy;

9.2.2.2.7 Documentation Plan;

9.2.2.2.8 Change Readiness Assessment;

9.2.2.2.9 Change Management Strategy and Communication Plan;

9.2.2.2.10 Benefits Realisation Plan;

9.2.2.2.11 The Contractor shall prepare an Initial Application Environment (i.e. Sandbox environment) on its own technical infrastructure – refer also to section 9.2.11. The Initial Application Environment shall be configured in accordance with security best practices. NATO will then run a vulnerability assessment against it and any high or medium deficiencies shall be corrected by the Contractor. The Contractor can access remote systems from within NATO HQ premises using the provided Unclassified workstation, depending on the technology it plans to use, or via its own laptops, subject to NATO security regulations (establishment of an independent access mechanism) if the provided Unclassified network restrictions do not technically allow such remote connection;

9.2.2.2.12 Training of the Organisation key staff (business super users; functional, system and database administrators) on the main concepts and principles of the COTS PPM system in its standard version;

9.2.2.2.13 Security Accreditation Related Documentation.

9.2.3 SYSTEM ANALYSIS AND DESIGN PHASE

9.2.3.1 The Contractor shall make use of the COTS PPM solution, using the Contractor's provided Sandbox environment with mock-up setup and data, to conduct Analysis and Design workshops in an iterative way.

9.2.3.2 The Contractor will execute a minimum of three iterations of Analysis & Design workshops per functional area. These workshops will be conducted in a manner of ensuring Contractor's detailed understanding of the Organisation's business process in project scope, as well as participating users' further understanding of the PPM system functionalities.

- 9.2.3.3 In between and during workshop iterations and following validation by the NATO Project Manager, the Contractor will configure and setup the system according to the specified requirements, the results of the workshops and the additional information provided by the workshop participants.
- 9.2.3.4 As the result of the Analysis & Design Workshops iterations, the Contractor shall develop and present a System Design for the implementation of the COTS PPM system, which will be submitted to the Organisation for formal approval.
- 9.2.3.5 The System Design will be the basis for a common understanding on how the COTS PPM solution will be configured and used to support the Organisation's business processes.
- 9.2.3.6 The System Design must include at a minimum:
- 9.2.3.6.1 The Sandbox environment, including the Initial Application Design, configured and setup as a result of the Analysis and Design workshops iterations.
- 9.2.3.6.2 Comprehensive Functional Design document including at a minimum the main configuration elements and set-ups of the different modules / functional areas of the COTS PPM system, the exhaustive list and functional design of all development components (reports, dashboards, KPIs etc.) that are not already present as standard functionalities in the Initial Application Environment (see also 9.2.9).
- 9.2.3.6.3 Comprehensive Fit/Gap Analysis (between the System Requirements and the 'out of the box' functionality of the COTS PPM system), including detailed functional analysis for each of the identified gaps.
- 9.2.3.6.4 Requirement traceability matrix between defined system requirements and the application functions / components, business areas etc. (initial matrix, updated in System Build phase and finalised in Cut-Over phase).
- 9.2.3.6.5 Transactions assigned to the process steps that specify how business processes will be handled in the implemented COTS PPM solution.
- 9.2.3.6.6 User profiles and associated user access rights defined in accordance with business roles and responsibilities and PPM application security environment (e.g. including consideration of PPM predefined user roles).
- 9.2.3.6.7 Technical and Security Architecture Design (high-level and low-level, both requiring approval from Organisation's Design Approval Panel), down to protocols specifications and ports required, and including the end-to-end two way traceability for completeness and justification of the architectural components and their corresponding requirements.
- 9.2.3.7 The Contractor shall document the Data Mapping analysis needed for Data Conversion purposes (see also 9.2.8).
- 9.2.3.8 The Contractor shall develop a Training Needs Analysis and Plan.

9.2.4 SYSTEM BUILD PHASE

- 9.2.4.1 The Organisation will acquire and install all hardware and software technical infrastructure components required for the delivery of the project according to Contractor's approved system architecture and in compliance with the baseline technical and security environment and standards of the Organisation.
- 9.2.4.2 The Contractor shall provide detailed and complete server by server build documents. The Contractor shall coordinate with the Organisation in installing the COTS PPM system on the Organisation's technical architecture.
- 9.2.4.3 Based on the approved System Design, the Contractor will configure the COTS PPM system environments (i.e. Development / Testing, Training / Pre-Production, Production) on the NATO installed technical architecture, and will create any required element requiring further configuration e.g. for screens, reports, workflow or extension (see also 9.2.9).
- 9.2.4.4 The Contractor shall deliver all programs needed for data conversion and migration (see also 9.2.8). The Contractor shall also identify any temporary infrastructure needed for the migration period and support required by the Organisation.
- 9.2.4.5 The Contractor shall develop and deliver training materials and user and system administration guides (see also 9.2.7).
- 9.2.4.6 The Contractor shall plan and execute (super)user train the trainer training.
- 9.2.4.7 The Contract shall plan and execute training for functional, system and database administrators.

9.2.5 TESTING AND FINAL PREPARATION PHASE

- 9.2.5.1 The Contractor will execute a final iteration of workshops for each functional area, this time on an environment located on the future production technical architecture, and including all components configured in the previous phase.
- 9.2.5.2 The Contractor shall plan and execute comprehensive testing as described in section 9.2.10.
- 9.2.5.3 The Contractor shall execute End User training.
- 9.2.5.4 The Contractor shall plan and prepare Cut-Over activities in order to be ready for the Go-Live of the COTS PPM system. The in-scope steps for this phase include but are not limited to:
 - 9.2.5.4.1 Write the Cut-Over Plan
 - 9.2.5.4.2 Prepare PPM system for production
 - 9.2.5.4.3 Prepare the Final Data Conversion Plan
- 9.2.5.5 The Contractor will support the development of a Support Agreement in coordination with the Organisation. The Support Agreement will detail how the PPM solution will be supported throughout its life-cycle. This Agreement shall describe:
 - 9.2.5.5.1 Objectives, scope, approach, resources and organisation for the Support of the PPM system.

- 9.2.5.5.2 Incident management: describes how to deal with service interruptions or application faults.
- 9.2.5.5.3 Problem management: describes how to deal problem reporting and resolution.
- 9.2.5.5.4 Release management: describes how to manage the subsequent software releases.
- 9.2.5.5.5 Availability management: describes how to ensure the PPM system meets its availability requirements.
- 9.2.5.5.6 Service Level Agreement: a Service Level Agreement, aligned with the ITIL Service Book example, identifying the service targets and the responsibilities of the Contractor and the Organisation for achieving these targets. The targets shall be defined before contract signature.
- 9.2.5.5.7 Warranty Support: describes the Contractor approach for solving problems during the Warranty period defined in the Part II Contract Special Terms and Conditions.

9.2.6 CUT-OVER PHASE

- 9.2.6.1 The Contractor shall document (to be signed-off by the Organisation) and execute the Cut-Over Plan and Final Data Conversion Plan in order to move from the current environment to the implemented COTS PPM system. The in-scope steps for this work include but are not limited to:
 - 9.2.6.1.1 Build the future Production Environment, including the configuration of the User Roles and associated User Access Rights and their allocation to Users.
 - 9.2.6.1.2 Cut-Over activities, including data conversion activities.
 - 9.2.6.1.3 Tests authorizing the Go-Live.
 - 9.2.6.1.4 Train Organisation's Support Team (i.e. Functional, System and Database Administrators).
 - 9.2.6.1.5 Monitor Production Environment.
- 9.2.6.2 As part of this phase (and to be included in the related price line item of the Price Proposal), the Contractor shall support Organisation's staff during the critical 8 weeks after each Go-Live in relation to on-going support for system production operations, system monitoring and optimisation activities, as needed.
- 9.2.6.3 The Organisation currently foresees 2 Go-Lives (i.e. Initial Go-Live and Final Go-Live respectively).

9.2.7 TRAINING AND CHANGE MANAGEMENT

- 9.2.7.1 The Contractor shall prepare a Training Needs Analysis (TNA) which will assess the gap between the current skills of the future PPM users and the tasks they will be expected to perform in using and supporting the PPM system. The Contractor shall revise the Training Plan to reflect the findings of the Training Needs Analysis.
- 9.2.7.2 The Contractor will develop and implement a comprehensive Training Strategy that assesses the education and training needs of the project team and user community

(including all types of users) and outlines the delivery of these training sessions based on user types and functions, areas of responsibility, interest and skills.

- 9.2.7.3 The Contractor shall develop the Training materials and deliver the Training sessions for the various categories of users based on the Training Strategy and Training Needs Analysis and specific direction from the Organisation. It is anticipated there will be at least 3 different categories of users: Functional, System and Database Administrators; Super Users; Standard Users (Internal and External).
- 9.2.7.4 The Contractor will train approximately 62 users, out of which 6 system administrators (2 functional administrators and 4 system & database administrators respectively), 10 super-users and 46 standard users. The Contractor will also perform train the trainer activities for approximately 10 users (spread across the administrator, super-user and standard user groups). The Organisation will train the External Standard Users, using the training materials produced by the Contractor.
- 9.2.7.5 The training materials provided by the Contractor will not only include system functionalities, but will also put them in the context of business processes, as provided by the Organisation. The Contractor will ensure that training is performed by personnel that was involved in the previous project phases and has become familiar with the NOR business processes and related system functionalities.
- 9.2.7.6 The Contractor shall deliver training sessions in English, at NATO HQ, using the Organisation's furnished facilities and equipment; the Contractor shall provide the application Training / Pre-production environment populated with training data.
- 9.2.7.7 Overall Change Management shall be led by the Organisation's Project Manager.
- 9.2.7.8 The Contractor will support the Organisation's Project Manager in the development and implementation of a strategy and plan for change management and include:
- 9.2.7.8.1 Organisation change readiness assessment and tools to measure organisational resilience, skills requirements, resource capacity management, and commitment.
- 9.2.7.8.2 Proposal for change management objectives, approach, activities, methodologies and schedule, including a plan for supporting communications during all project phases. This includes user types, media, frequency of communication, leverage of formal and informal channels to ensure all critical change implications are identified and addressed.
- 9.2.7.8.3 A plan for project benefits realisation through the execution of the process, policy, and organisational changes necessary to realise the project business case.

9.2.8 DATA CONVERSION AND MIGRATION

- 9.2.8.1 Data Conversion and Migration: the Contractor shall convert and migrate data from the legacy applications to the new PPM system.
- 9.2.8.1.1 The main legacy application is built on an Oracle Database; its data model will be provided and explained to the Contractor at the beginning of the PPM system implementation. Another legacy application is built in MS Access. ANNEX A to Part IV provides more information on current applications used by NOR.

- 9.2.8.1.2 The Organisation estimates that from the legacy Oracle based application approximately 20,000 NSIP projects and associated master and transactional data residing in 183 tables will need to be transferred to the new system.
- 9.2.8.1.3 The Organisation estimates that from the legacy MS Access database the Military Budget related data residing in 20 tables will need to be transferred to the new system.
- 9.2.8.1.4 The Contractor shall execute the full scope of data conversion activities:
- 9.2.8.1.5 Data Conversion Strategy documentation;
- 9.2.8.1.6 Data Mapping between the legacy and new system;
- 9.2.8.1.7 Data Migration: Extracts from the legacy systems and Imports in the new system;
- 9.2.8.1.8 Data Conversion Tests;
- 9.2.8.1.9 Demonstration of and report on the data integrity after data conversion.

9.2.9 DEVELOPMENT PRODUCTS AND SERVICES

- 9.2.9.1 Based on the Fit/Gap Analysis deliverable (see Section 9.2.3), the Contractor will provide the development services for the approved RICEFW (new or changes to 'out of the box' Reports, Interfaces, Conversions, Extensions, Forms and Workflows).

These include, but are not limited to:

- 9.2.9.1.1 Data loads and integration as included in the System Requirements Specifications (ANNEX E to PART IV).
The Organisation will, to the maximum extent possible, and as a result of the training received by the Contractor, be self-sufficient in terms of data loads (e.g. MS Excel data loads) development. Still, the Contractor needs to include in its fixed price the analysis and development of 4 data loads, out of which 25% are complexity 'high'¹⁷, 50% are complexity 'medium' and 25% are complexity 'low'.
- 9.2.9.1.2 Reports, Workflows and Key Performance Indicators (KPI): the Organisation will use, to the maximum extent possible, the "out of the box" KPI, reports and reporting capabilities provided by the COTS PPM solution. Still, it is anticipated that customised reports and KPIs will be needed. Hence the Contractor needs to include in its fixed price the analysis and development of:
- 20 customised reports¹⁸ out of which 25% are complexity 'high', 50% are complexity 'medium' and 25% are complexity 'low';
 - 2 customised workflows¹⁹

¹⁷ Dataloads complexity high: more than 30 data elements from more than 3 tables with cross validations and/or calculations built in; complexity medium: between 10 and 29 data elements from 1 or 2 tables with cross validations and/or calculations built in; complexity low: less than 10 data elements and no or simple validations and calculations.

¹⁸ Reports complexity high: requiring the development of new objects and complex queries involving more than 3 tables and multiple conditions; complexity medium: assembly of existing report and objects plus development of queries involving less than 3 tables; complexity low: assembly of pre-existing objects with simple queries.

- 8 customised Key Performance Indicators²⁰ out of which 25% are complexity 'high', 50% are complexity 'medium' and 25% are complexity 'low'.

9.2.9.1.3 Screens: the Organisation will use, to the maximum extent possible, the "out of the box" screens and configuration capabilities provided by the COTS PPM solution.

9.2.10 TESTING

9.2.10.1 Testing will include the following Test Phases: Unit Testing (testing developed RICEFW), System Testing, Security Testing (including user access roles), Integration Testing, Performance Testing (including scalability), Data Conversion Testing, Operational Acceptance Testing, User Acceptance Testing and Production Acceptance Testing.

9.2.10.2 For each Test Phase, the Contractor shall define and develop test plans, test scripts and test data, shall conduct testing (except for User Acceptance Testing) and evaluate and document results in Test Reports.

9.2.10.3 The Organisation reserves the right to develop additional test procedures and conduct independent testing.

9.2.10.4 The Organisation will run its own security tests to independently measure the overall security of the solution, informing the Contractor of the results. The solution's security deficiencies (if any) shall then be corrected by the Contractor at no cost.

9.2.10.5 The Organisation will review and formally approve the Contractor's test plans and scripts for correctness and completeness and will monitor and inspect the Contractor's test activities to ensure compliance.

9.2.10.6 The Contractor shall perform the Tests with its own staff (except for User Acceptance Tests) according to the approved test plans and scripts, including iterative bug fixing. The Organisation will have the option of witnessing the test activities of the Contractor.

9.2.10.7 The Contractor shall produce a Test Report for each Test Phase. That report will document how and when the test phase took place, the scripts and data used, and evaluate the results. The Contractor will present the Test Report for Organisation's formal acceptance. The acceptance of the Test Phase is linked with the acceptance of the Test Report.

9.2.10.8 User Acceptance Testing:

9.2.10.8.1 Similar to the other Test Phases, the Contractor will prepare a Test Plan, Test Scripts and Test Data and present them for Organisation's formal acceptance.

9.2.10.8.2 While the other Test Phases will be performed by the Contractor's staff, User Acceptance Tests will be performed by the Organisation's staff. Contractor shall

¹⁹ Workflows scope and complexity to be defined by the Organisation, based on standard PPM system workflow capabilities, during System Analysis and Design phase.

²⁰ KPI complexity high: requiring the development of new objects and complex queries involving more than 3 tables and multiple conditions; complexity medium: assembly of existing reports and objects plus development of queries involving less than 3 tables; complexity low: assembly of pre-existing objects with simple queries.

facilitate these tests and be available to respond to questions that users might have on test approach, test steps, test data content, test results.

9.2.10.8.3 The Contractor shall produce a User Acceptance Test Report, similar to the other Test Phases.

9.2.10.9 Security Testing:

9.2.10.9.1 The Contractor shall provide a Security Requirements Statement with the list of security countermeasures to reduce the risk to an acceptable level. The list shall come from a risk assessment on the most common threats to IT Systems.

9.2.10.9.2 The Contractor shall provide a Security Test and Evaluation Plan (ST&E) based on specific technical security countermeasures recommended to be implemented into the system.

9.2.10.9.3 The Contractor shall provide Security Risk Management documentation, highlighting how the risk shall be managed during the system life cycle.

9.2.10.9.4 The security performance and capacity requirements of the proposed solution shall be specified.

9.2.10.9.5 All tests shall encompass security functionality called for by the Security Accreditation Authority and include:

- Identification and Authentication Testing;
- Access/Access Control Testing;
- Accountability Testing;
- Audit Testing;
- Integrity Testing;
- Availability Testing;
- Data Exchange/Communications Testing;
- Residual Risks.

9.2.10.9.6 All tests and related data shall be specified with the expected results recorded.

9.2.10.9.7 All test results shall be categorised into terms of severity of impact (critical, serious and minor).

9.2.10.9.8 The Security Requirements Statement and the ST&E shall be approved by the security authority prior to commencement of any testing.

9.2.10.9.9 The security mechanisms of the system shall be tested and verified by the Contractor and the Organisation (ICTM/NCIA and NOS) and proven to work as claimed in the system documentation. Testing and verification shall be done to evaluate and ensure that all security functionality is provided and that there are no obvious ways for an unauthorised user to by-pass or otherwise defeat the security protection mechanisms. Testing and verification shall also include a search for obvious flaws that would allow violation of resource isolation or that would permit

unauthorised access to the audit or authentication information. As part of the Risk Management process, an independent penetration test will be conducted at the final stage of the technical implementation of the system, in order to make a final assessment of the remaining risks.

9.2.10.10 Security Approval And Accreditation Process

9.2.10.10.1 The Contractor shall document the levels of security functionality and assurance of all major system components and is to be properly scheduled within a roadmap that will be subject to security approval.

9.2.10.10.2 Before installing the system, the Contractor shall submit all solutions in the form of detailed System / sub-System design, related risk assessment and countermeasures that will be reflected by configuration details and specific registry settings to the Organisation for approval. The Contractor shall only install configurations approved by the Organisation.

9.2.11 TECHNICAL ARCHITECTURE

9.2.11.1 The Contractor shall provide a Sandbox environment for starting the project and delivering the Analysis and Design activities as described in section 9.2.3 (System Analysis and Design Phase). That Sandbox environment can be physically located outside NATO HQ and remotely accessed via Internet (either using NATO desktops or Contractor's laptops). Data populating that environment cannot be NATO real data.

9.2.11.2 The technical architecture required for the System Build Phase, Testing and Final Preparation Phase, Cut over Phase and for post go-live operations of the COTS PPM system will be acquired and installed by the Organisation. The Contractor will provide the detailed technical design and configuration specifications, state clearly what architecture is required, including proposed back-up and restore process and architecture, and support the installation, configuration and tuning of technical architecture components.

9.2.11.3 Examples of technical architecture topics include, but are not limited to:

9.2.11.3.1 Operating platform;

9.2.11.3.2 Operating systems;

9.2.11.3.3 Database products and tools;

9.2.11.3.4 Security products and tools;

9.2.11.3.5 System monitoring products and tools;

9.2.11.3.6 Storage and backups products and tools;

9.2.11.3.7 Web and application servers;

9.2.11.3.8 Application integration products;

9.2.11.3.9 User authentication and authorization infrastructure;

9.2.11.3.10 User interface tools;

9.2.11.3.11 Detailed Application Component Architectures.

9.2.11.4 The Contractor shall coordinate with the Organisation in installing the COTS PPM system on the Technical Architecture as described in section 9.2.4.2.

9.2.11.5 Technical Architecture will be located in a closed and classified environment. Patches, updates and subsequent releases must be done offline and the Contractor must be able to cover the 'air-gap' between Bidder's and Organisation's environments.

9.2.12 PROJECT MANAGEMENT

9.2.12.1 The Contractor shall provide Project management services that utilise best-practice methodologies and approaches for COTS based projects implementation and aligned with international project management standards (i.e. PRINCE 2). It will provide the necessary tools, processes and techniques to successfully manage the project, including plan management, resources management, quality assurance, risk management and issue resolution, knowledge management, and status reporting.

9.2.12.2 The Contractor shall provide the project management and coordination needed to develop the required deliverables. The Contractor may be required to support the preparation of Project Board meeting presentations, project-level communications and messages to project stakeholders.

9.2.12.3 Regarding planning constraints, the Contractor's Project Schedule must allow a minimum of 15 (fifteen) working days for the Organisation to review and approve any Contractor submitted deliverable.

9.3 SUPPORT

9.3.1 SYSTEM SUPPORT (PURCHASING OPTION)

9.3.1.1 The Contractor shall provide the standard level of support services offered by the System Vendor on its COTS PPM system for a period of 10 years (yearly purchasing option) starting from initial Go-Live date of the new system. This system support may include but is not limited to:

9.3.1.1.1 Contractor logging Service Requests for technical assistance from the Organisation.

9.3.1.1.2 The Organisation receiving patches (i.e. software corrections, including those to address security vulnerabilities), software updates and new releases / upgrades (including description of new functionalities, changes / deletions to existing functionalities, technical detailed documentation) from the Contractor.

9.3.1.1.3 Contractor to pre-approve the installation of all Operating System patches by the Organisation.

9.3.1.1.4 Organisation's access to Contractor's PPM system knowledge base available for their customers.

9.3.2 ON-SITE FUNCTIONAL AND TECHNICAL SUPPORT (PURCHASING OPTION)

- 9.3.2.1 In addition to the support specified in 9.3.1, the Organisation reserves the right to purchase functional and technical support services, to be delivered on-site at NATO (no remote access allowed) and during the normal hours of operation.
- 9.3.2.2 Subsequent to the 8 weeks after Final Go-Live, the Organisation can purchase these services in a package of 100 man-days, on a scope and schedule agreed at the time of the Organisation exercising this option. Optional subsequent functional and technical support services, during a period of 3 (three) years starting after the 8 weeks related to the Final Go-live, can be requested on a scope and schedule agreed at the time of the Organisation exercising this option.
- 9.3.2.3 The Contractor will receive assignments from and liaise with the NATO ICTM Application Support Group. The functional related assignments will come from the NOR Functional Administrator at the request of Business Users and after NOR internal approval. The technical related assignments will come from the NATO ICTM Application Support Group, after coordination with NOR Functional Administrator and NOR internal approval.
- 9.3.2.4 Key activities could include, but are not limited to:
- 9.3.2.4.1 Response to inquiries concerning the performance, functionality or technical operation of the system.
- 9.3.2.4.2 Response to problems or issues with the system.
- 9.3.2.4.3 Diagnosis and resolution of problems or issues of the system.
- 9.3.2.4.4 Design and build of additional or modification to existing reports, queries, data loads, key performance indicators, as per user request.
- 9.3.2.4.5 Ad-hoc configuration activities (screens, workflows etc).
- 9.3.2.4.6 Log of requests and solutions provided.
- 9.3.2.4.7 Update and maintenance of application documentation and training material.
- 9.3.2.4.8 Participate as non-voting member in the sessions of the System Change Advisory Board (CAB), provide input for Request for Changes and support the implementation of CAB decisions.
- 9.3.2.4.9 Monthly status report and review meetings.
- 9.3.2.5 The scope of the services specified above will be limited to incidents or problems which cannot be resolved by the Applications Support Group and which are not caused by the IT infrastructure only. Figure 2 below shows the roles to be performed by the Contractor in provision of the On-Site Functional and Technical Support Option.

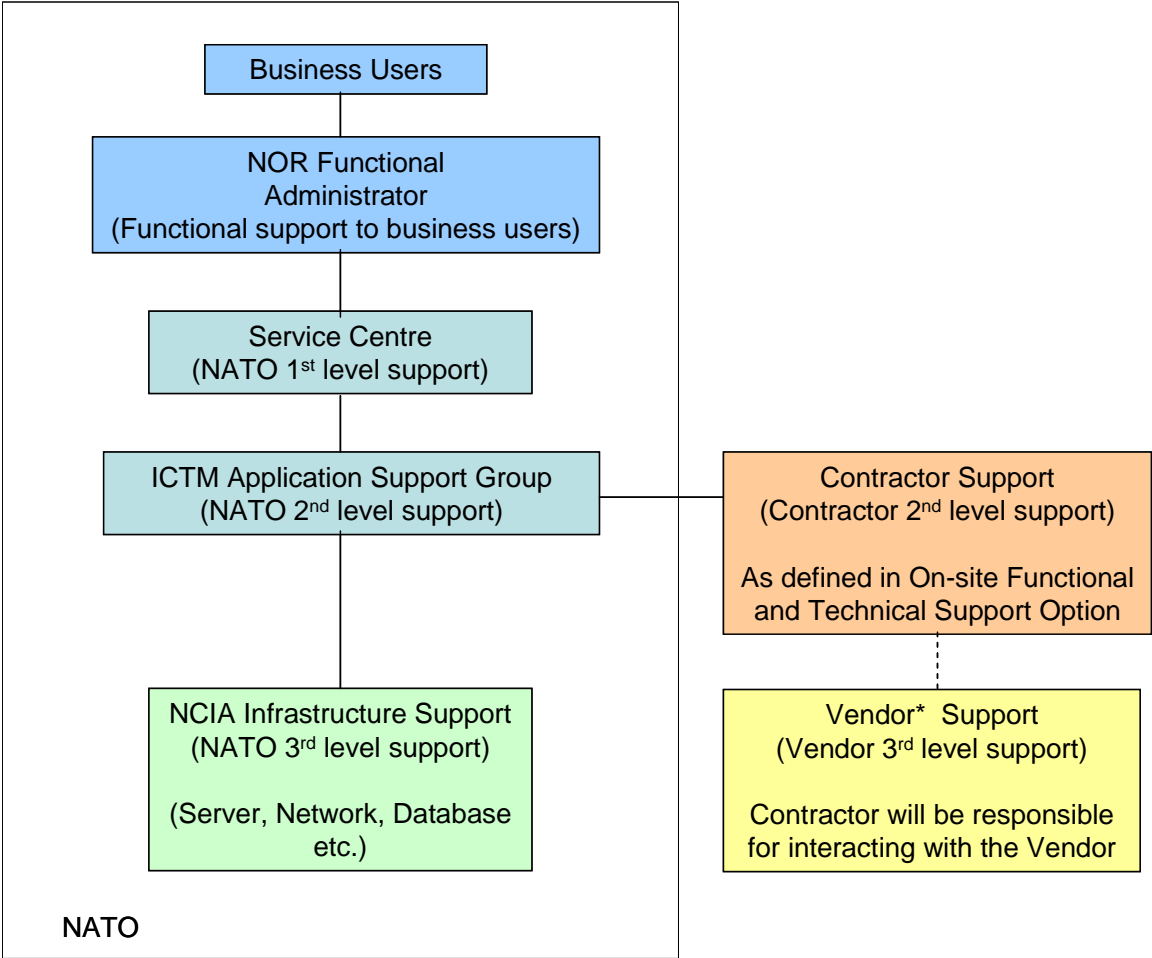


Figure 2. PPM Support Framework

9.4 LIST OF REQUIRED DELIVERABLES

The list of mandatory deliverables is provided in the Required Deliverables table below.

Deliverables Categories:

- **SI = singly instantiated.** A deliverable (or task) which occurs once, at specific time during the project (i.e. document specifying the strategy for a system functional area).
- **MI = multiply instantiated.** A deliverable (or task) that may be performed at various times during the project (i.e. such as a status report, or a task that is partitioned on a project plan, for example, by multiple teams or functional areas).
- **MO = multiply occurring.** A task (or deliverable) that is performed multiple times at specific, known stages during the project (i.e. training activities).
- **IT = iterated.** A task (or deliverable) that is repeated once for each iteration of activities, in order to increase the quality of the deliverable to a desired level or to add more detail to the deliverable (i.e. system design / build, testing activities).
- **O = ongoing.** A task (or deliverable) that occurs continuously throughout the project rather than at a specific known time (i.e. support activities).

	Deliverable	Description	Cat.
1	PPM Information System Solution	A fully functioning information system solution that responds to the System Requirements Specifications described in PART IV, and based on the implementation of a Commercial off the Shelf (COTS) Project Portfolio Management (PPM) system.	SI
IMPLEMENTATION SERVICES RELATED TO THE COTS PPM SYSTEM			
PROJECT PHASES			
PREPARATION PHASE			
2	Project Repository	Repository for deliverables production and filing.	SI
3	Initial PPM Application Environment Installed	Demo / Sandbox environment of COTS PPM system with mock-up setup and data.	IT
4	Data Conversion Strategy	Data conversion strategy that addresses the identification and validation of business needs related to data, extracting data from legacy applications, data cleansing, data mapping, data testing, data migration, post migration assessment.	SI
5	Testing Strategy	Testing strategy that addresses testing procedures, roles and responsibilities, objectives, assumptions, timing, deliverables, and acceptance criteria for testing. This will be used to develop detailed testing plans.	SI
6	Training Strategy	Training Strategy that assesses the education and training needs of the project team and user community (including all types of users) and outlines the delivery of these training sessions based on user types and functions, areas of responsibility, interest and skills.	SI
7	Documentation Plan	Details the documentation requirements, standards and guidelines (e.g. editorial conventions, formats, templates to be used) for each document deliverable.	SI

	Deliverable	Description	Cat.
8	Change Readiness Assessment	Organisation change readiness assessment and tools to measure organisational resilience, skills requirements, resource capacity management, and commitment. This assessment provides input towards the Change Management and Communication Plan. Regularly measured and updated.	MO
9	Change Management and Communication Plan	Proposal for change management objectives, approach, activities, methodologies and schedule, including a plan for supporting communications during all project phases. This includes user types, media, frequency of communication, leverage of formal and informal channels to ensure all critical change implications are identified and addressed.	SI
10	Benefits Realisation Plan and Measures	Plan to realize the project business case. This must utilize proven change realization techniques including, but not limited to execution of process, policy, and organisational changes. Regularly measured and updated.	MO
11	Organisation Key Staff Trained	Organisation key staff (business super users; functional, system and database administrators) trained to the main concepts and configuration elements of COTS PPM system in its standard version, so that they can actively participate to the system design workshops.	MO
12	Security Accreditation Related Documentation	<ul style="list-style-type: none"> • Security Accreditation Plan: This plan will be used by the Organisation to assess the validity of the proposed security management infrastructure. The Contractor will use this plan to demonstrate the proposed overall implementation strategy and provide the roadmap to gaining network accreditation; • Security Requirements Statement: List of security countermeasures to reduce the risk to an acceptable level. The list shall come from a risk assessment on the most common threats to IT Systems; • System Risk Assessment: Assessment highlighting how the risk shall be managed during the system life cycle. 	SI
SYSTEM ANALYSIS AND DESIGN PHASE			
13	Functional System Design, including Fit/Gap Analysis	The Functional System Design must include at a minimum: - The Sandbox environment – called Initial Application Environment - configured and setup as the result of the Analysis and Design workshops iterations; - Comprehensive Functional Design document including at a minimum the main configuration elements and set-ups of the different modules / functional areas of the COTS PPM system, the exhaustive list and functional design of all development components (reports, dashboards, KPIs etc.) that are not already present (as standard functionalities) in the Initial Application Environment;	IT

	Deliverable	Description	Cat.
		<ul style="list-style-type: none"> - Comprehensive Fit/Gap Analysis (between the System Requirements and the 'out of the box' functionality of the COTS PPM system), including detailed functional analysis for each of the identified gaps; - Requirement traceability matrix, tracing how each requirement is covered by the System Design; - Transactions assigned to the process steps that specify how business processes will be handled in the implemented COTS PPM solution; - User profiles and associated user access rights defined in accordance with business roles and responsibilities and PPM application security environment (e.g. including consideration of PPM predefined user roles). 	
14	System Setup Documents	Detailed system configuration documentation as a result of functional analysis.	IT
15	RICEFW Inventory	Comprehensive inventory of components that require development: e.g. reports, interfaces, data conversions, extensions, forms and workflows (RICEFW).	SI
16	RICEFW (including Data Conversion) Documentation	<p>For each approved RICEFW, functional and technical design documents, programs, installation procedures and unit test scripts.</p> <p>This includes all functional and technical design, programs, installation procedure and unit test scripts needed for Data Conversion activities (i.e. Data Mapping).</p>	SI
17	Initial Requirements Traceability Matrix	<p>Initial matrix identifying the bi-directional traceability between:</p> <ul style="list-style-type: none"> - the defined system requirements; and - the application functions/components, business areas, etc. 	MI
18	Technical & Security Architecture Design	Document all aspects of technical and security architecture needed for the solution; this includes the hardware, network, security, capacity, scalability, availability, back-ups and performance aspects, down to protocols specifications and ports required, and including the end-to-end two way traceability for completeness and justification of the architectural components and their corresponding requirements.	SI
19	Training Needs Analysis and Plan	Skills assessment of the Organisation personnel and functions; Plan describing the training objectives, scope and approach for personnel / functions based on gaps identified in the skills assessment.	SI
SYSTEM BUILD PHASE			
20	Technical Architecture Installed	Support the Organisation during Technical Architecture installation, configuration and tuning required by the COTS PPM system. Provide detailed and complete server by server build documents.	SI
21	COTS PPM System Installed	COTS PPM System installed on the technical infrastructure.	SI
22	Configured PPM Application Environment(s)	Environment(s) (i.e. Development / Testing, Training / Pre-Production, Production) configured according to Approved System Design (Functional Design, Technical	SI

	Deliverable	Description	Cat.
		& Security Architecture Design).	
23	Developed and Unit Tested Development Components (RICEFW), including Data Conversion and Migration	Each approved development component built and unit tested. E.g.: - report; - KPI; - data load program; - software extension; - data conversion and migration program (Extracts from the legacy systems and Imports in the new system) and temporary infrastructure needed for the migration period and support required by the Organisation; - workflow; - any other solution component needing development.	SI
24	Updated Requirements Traceability Matrix	Updated matrix documenting the traceability between: - defined system requirements; - the application functions/components, business areas, etc. from System Analysis and Design phase (initial matrix); and - the configured application functions/components, business areas, etc. from System Build phase.	MI
25	Documentation, including Unit Test Scripts for Each Development Component	For each RICEFW, functional and technical design documents, installation procedures and unit test scripts.	SI
26	Training Materials	Training Materials, in English, on paper and in electronic format for each of the user types identified in the Training Strategy and/or the Training Needs Analysis.	SI
27	User Guide and System Management Guide	User Guide for End User and System Management Guide for System Administrator (functional and technical), in English.	SI
28	(Super)User Training	Train the (super)users (i.e. by means of train the trainer) that will be involved in testing activities and in training the External Standard Users.	MO
29	Functional, System and Database Administrators Training	Train the Functional, System and Database Administrators.	
30	Security Operating Procedures (Secops)	The Contractor shall provide Security Operating Procedures that describe the necessary security procedures for all users, and the additional ones specific to the technical and security administrators. The document shall in particular include advice about functions and privileges that shall be controlled in order to operate the facility in a secure manner and a description of expected reaction to security-related events.	SI
31	Security Test Documentation	As part of the overall security test documentation, the Contractor shall provide both of the following: • Facility/Factory Test documents, describing elementary test procedures showing how the individual security mechanisms were tested at the Contractor premises, prior to delivery, on the Contractor development and integration Platform. They shall also show results of those Security mechanism's functional testing; and	SI

	Deliverable	Description	Cat.
		<ul style="list-style-type: none"> Security Test & Evaluation Plan (ST&E), which will be used as part of the System Final Acceptance Test Plan, once accepted by the Organisation. The ST&E will invoke, in well defined scenarios, all Security functions requested and described above, in order to demonstrate the implemented levels of security functionality and assurance, and the specific System Security features. To perform such Tests, the Organisation will furnish to the Contractor data to be used only for test purposes. 	
TESTING AND FINAL PREPARATION PHASE			
32	Testing / Development and Training / Pre-production Environments Ready	The environment(s) needed for the different Testing Phases (i.e. Unit Testing (testing developed RICEFW), System Testing, Security Testing (including user access roles), Integration Testing, Performance Testing (including scalability), Data Conversion Testing, Operational Acceptance Testing, User Acceptance Testing and Production Acceptance Testing) have been built and are ready for the tests.	SI
33	Test Plans, Tests Scripts and Tests Data	Test plans, scripts and data to be used during the different Test Phases have been built and are ready for the testing.	SI
34	Testing Activities	Testing activities, including iterative bug fixing, performed for the different Test Phases.	IT
35	Test Reports	Report documenting the Test Results, for each Test Phase.	IT
36	Cut-Over Plan	Plan documenting in detail the Cut-Over (i.e. Go Live) activities, resources, and schedule. Tasks include the Final Data Conversion Plan from legacy systems to the PPM system.	SI
37	End User Training	End Users trained according to the Training Plan.	MO
38	Support Agreement	<p>The Contractor will support the development of a Support Agreement in coordination with the Organisation and will describe:</p> <ul style="list-style-type: none"> - Objectives, scope, approach, resources and organisation for the Support of the PPM system; - Incident management: describes how to deal with service interruptions or application faults; - Problem management: describes how to deal problem reporting and resolution; - Release management: describes how to manage the subsequent software releases; - Availability management: describes how to ensure the system meets its availability requirements; - Service Level Agreement: a Service Level Agreement, based on the ITIL Service Book example, identifying the service targets and the responsibilities of the Contractor and the Organisation for achieving these targets. The targets shall be defined before contract signature; - Warranty Support: describes the Contractor approach 	SI

Deliverable		Description	Cat.
		for solving problems during the Warranty period defined in the Part II Contract Special Terms and Conditions.	
CUT-OVER PHASE			
39	Production Environment Ready, including documented Users, User Roles and User Access Rights	Future Production Environment built, including the configuration of the User Roles and associated User Access Rights and their allocation to users.	SI
40	Cut-Over Plan Executed and Documented	Cut-Over plan executed to support the full business process and system Cut-Over. This includes the execution of the Final Data Conversion plan. Report documenting the Cut-Over, including the sanity checks after Final Data Conversion.	SI
41	Final Requirements Traceability Matrix	Final matrix documenting the traceability between: <ul style="list-style-type: none"> - defined system requirements; - the application functions/components, business areas, etc. from System Analysis and Design phase (initial matrix); - the configured application functions/components, business areas, etc. from System Build phase (updated matrix); and - implemented application functions/components; business areas, etc. from Cut-Over phase. 	MI
42	Signed-Off Cut-Over Report	Signed-Off Cut-Over Report, including Final Requirements Traceability Matrix.	SI
43	Critical Support of 8 Weeks (for each Go-Live)	Critical Post Go-Live Support and on-the-job End-User assistance.	MO
44	Support Team Training	Training of the Organisation Support Team (i.e. Functional, System and Database administrators).	MO
PROJECT ACTIVITIES²¹			
PROJECT MANAGEMENT			
45	Project Plan	Overall plan describing the project: <ul style="list-style-type: none"> - scope : identifying and describing the people, business processes and supporting technology which will be affected by the implementation project; - objectives; - approach (strategy) and methodology; - deliverables; - schedule including milestones; - organisation and resources; - risks and issues; - information assurance, quality control and assurance; - monitoring and control procedures. 	IT
46	Detailed Work Plan	Detailed work plan, with work breakdown structure, schedule and resource loads. Regularly updated.	MI

²¹ The deliverables related to the following Project Activities (i.e. Training and Change Management, Data Conversion and Migration, Development Product and Services, Testing and Technical Architecture) are included, as applicable, in the Project Phases above (i.e. Preparation Phase, System Design Phase, System Build Phase, Testing and Final Preparation Phase, Cut Over Phase)

Deliverable		Description	Cat.
47	Project Management Controls, Reports and Meetings	Periodic controls and reporting on the project's overall accomplishments for the specified period, including budget and actual status, performance measures, risks, and other related issues.	MI
SUPPORT			
48	System Support (Purchasing Option)	<p>Standard level of support services offered by System Vendor on the COTS PPM system, during a period of 10 years (yearly purchasing option) starting from initial Go Live date. This may include, but is not limited to:</p> <ul style="list-style-type: none"> - Contractor logging Service Requests for technical assistance from the Organisation; - The Organisation receiving patches (i.e. software corrections, including those to address security vulnerabilities), software updates and new releases / upgrades (including description of new functionalities, changes / deletions to existing functionalities, technical detailed documentation) from the Contractor; - Contractor to pre-approve the installation of all Operating System patches by the Organisation. - Organisation's access to Contractor's PPM system knowledge base available for their customers. 	O
49	On-Site Functional and Technical Support (Purchasing Option)	<p>Key activities could include, but are not limited to:</p> <ul style="list-style-type: none"> - Response to users with respect to inquiries concerning the performance, functionality or technical operation of the system; - Response to problems or issues with the system; - Diagnosis and resolution of problems or issues of the system; - Design and build of additional or modification to existing reports, queries, data loads, key performance indicators, as per user request; - Ad-hoc configuration activities (screens, workflows etc.); - Log of requests and solutions provided; - Update and maintenance of application documentation and training material; - Participate as non-voting member in the sessions of the System Change Advisory Board (CAB), provide input for Request for Changes and support the implementation of CAB decisions; - Monthly status report and review meetings. 	O

ANNEX A - CURRENT APPLICATIONS OVERVIEW

The two applications currently used within the NATO Office of Resources are Inframation and MS Access.

Inframation is supporting NATO Security Investment Programme related processes i.e. recording capability packages and projects master data, recording financial authorisations, contract information and milestones, calculating financial contributions, recording technical and financial acceptance of projects etc. Data exchanges between Inframation and other applications are done through direct data entry or file uploads/downloads. Inframation is running on an Oracle 10g environment. Inframation data resides in 183 tables.

MS Access is supporting Military Budget related processes i.e. recording of approved budgets, budget execution, contract authority, lapses, high-level manpower figures etc. Data exchanges between MS Access and other application is done through direct data entry. MS Access is part of MS Office 2002 suite. MS Access data resides in 20 tables.

There is no interface between Inframation and MS Access applications. MS Excel is also used for ad-hoc reporting and data not managed through Inframation and MS Access (such as manpower related data).

ANNEX B - CONTRACTOR'S KEY PERSONNEL - QUALIFICATION REQUIREMENTS

The table below shows the minimum required qualifications that Contractor's Key Personnel must meet. One Contractor's Key Personnel can cover multiple Positions.

Position	Qualifications
Project Manager	<p>The Contractor must provide a Project Manager. The Project Manager will plan, coordinate and manage the project delivery in coordination with the Organisation.</p> <p>The Project Manager must meet the following minimum requirements:</p> <ol style="list-style-type: none"> 1. Have more than 10 years of IT and Business project management experience, out of which 8 years with the implementation of COTS systems. 2. Have managed – from project start till project acceptance - at least 2 projects of similar size based on a COTS system in the last 10 years. 3. Have experience with public sector entities and/or international organisations. 4. Have fluency in one of the official languages of the Organisation (English or French). 5. Hold a minimum of a Bachelor's Degree or equivalent from an accredited university. 6. Hold a current and valid certification in project management methodology. Certification can be substituted by proven project management experience. 7. Hold a valid Personal Security Clearance at the level of NATO SECRET issued by the competent national authority. 8. Have an understanding of ISO27000 and Security Accreditation principles.
Solution Architect / Functional Lead	<p>The Contractor must provide a Solution Architect. The Solution Architect will lead and manage the functional solution design, configuration, integration, and deployment of the COTS PPM solution.</p> <p>The Solution Architect must meet the following minimum requirements:</p> <ol style="list-style-type: none"> 1. Have more than 8 years of IT project experience out of which at least 5 in PPM domain. 2. Have experience of at least 3 full lifecycle implementations of the proposed COTS PPM system, in a similar position. 3. Have experience with public sector entities and/or international organisations. 4. Hold a valid certification in the COTS PPM solution – if applicable, otherwise with evidence of having received advanced training. 5. Have fluency in one of the official languages of the Organisation (English or French). 6. Hold a minimum of a Bachelor's Degree or equivalent from an accredited university. 7. Hold a valid Personal Security Clearance at the level of NATO SECRET issued by the competent national authority.

Position	Qualifications
Technical Lead	<p>The Contractor must provide a Technical Lead. The Technical Lead will lead custom software design development (if any is required), report design and data conversion and migration.</p> <p>The Technical Lead must meet the following minimum requirements:</p> <ol style="list-style-type: none"> 1. Have more than 5 years of IT project experience. 2. Have at least 3 years of experience in development activities (customisations, interfaces, data conversion, reports) around the proposed COTS PPM system. 3. Hold a valid certification in the COTS PPM system – if applicable, otherwise with evidence of having received advanced training. 4. Have fluency in one of the official languages of the Organisation (English or French). 5. Hold a valid Personal Security Clearance at the level of NATO SECRET issued by the competent national authority.
Technical Infrastructure Lead	<p>The Contractor must provide a Technical Infrastructure Lead. The Technical Infrastructure Lead will lead Technical Architecture activities and support Application DBA activities to ensure that PPM solution is compliant with the Organisation's Enterprise Architecture.</p> <p>The Technical Infrastructure Lead must meet the following minimum requirements:</p> <ol style="list-style-type: none"> 1. Have more than 5 years of IT project experience. 2. Have experience of at least 2 full lifecycle implementations of the proposed COTS PPM system, in a similar position. 3. Hold a valid certification in the proposed COTS PPM system – if applicable, otherwise with evidence of having received advanced training. 4. Have fluency in one of the official languages of the Organisation (English or French). 5. Hold a valid Personal Security Clearance at the level of NATO SECRET issued by the competent national authority.
Testing Lead	<p>The Contractor must provide a Testing Lead. The Testing Lead will lead all testing and quality assurance activities for the implementation of the COTS PPM solution.</p> <p>The Testing Lead must meet the following minimum requirements:</p> <ol style="list-style-type: none"> 1. Have more than 5 years of Testing experience, out of which at least 2 years in leading testing activities for the proposed COTS PPM solution. 2. Have fluency in one of the official languages of the Organisation (English or French). 3. Hold a valid certification in the proposed COTS PPM system – if applicable, otherwise with evidence of having received advanced training. 4. Hold a Bachelor's Degree or equivalent from an accredited university. 5. Hold a valid Personal Security Clearance at the level of NATO SECRET issued by the competent national authority.

Position	Qualifications
Change Management Support	<p>Overall Change management will be led by the NATO Project manager. The Contractor must provide a Change Management Expert to assist and support the NATO project manager to lead the business communications and change management activities.</p> <p>The Change Management Expert must meet the following minimum requirements:</p> <ol style="list-style-type: none"> 1. Have more than 10 years of change management experience. 2. Have experience in planning and delivering effective PPM change management for an organisation of similar size. 3. Have experience of change management in Public Sector and/or international organisations. 4. Have fluency in one of the official languages of the Organisation (English or French). 5. Hold a minimum of a Bachelor's Degree or equivalent from an accredited university. 6. Hold a valid Personal Security Clearance at the level of NATO SECRET issued by the competent national authority.

ANNEX C - TARGET TECHNICAL ARCHITECTURE

Available as a separate document – requires Bidder's completion and signature of the NDA.

ANNEX D - ORGANISATIONAL TEMPO

1. WORKING TEMPO OVERVIEW

NATO Office of Resources staff supports the Resource Committees. The workload of NOR staff is relatively stable throughout the year. There are certain periods throughout the year when the committees do not convene. These are the official NATO holidays, and the vacation intensive periods, which are close to official holidays such as Easter and Christmas, Belgian school vacation and the summer. During these periods NOR staff may have more availability for PPM related activities, however these are also the periods when leave is taken by staff.

There are several major events that take place at or outside NATO HQ's premises and require special availability of the workforce. These events are NATO Summits, Ministerial meetings and Crisis Management Exercises.

	Frequency	Period	Duration	Venue
NATO Summits	Once per year	No specific time	2 days	Off-site
Defence Minister Meetings	Three times in 2011	March, June, October	2 – 3 days	On-site
Foreign Minister Meetings	Twice in 2011	April, December	2 – 3 days	On and Off-site
Crisis Management Exercises	Once per year	June or October	1 week	On-site

Software applications releases or deployment do not take place during summits and ministerial meetings. IT support activities performed by the Organisation for regular requests are limited 10 days before, 2 days during and 4 days after special events.

The calendar of NATO IS working and non-working days and periods is included below. This calendar can be used for PPM system implementation planning purposes.

NATO IS staff works on a regular five days, 38 hours work week, from Monday to Friday. The duration of a regular work day is eight hours – starting at 8:30h and ending at 18:00h, with an hour and a half lunch break. Working days are two hours shorter on Fridays and end at 16.00h. Special working hours are applied in July and August. During those two months the lunch break lasts for an hour and working days end at 17:30h. There is no change on Fridays. This is the usual working time which applies to most of the staff.

Calendar of NATO HQ IS working and non-working days and periods



Legend of used colours

- NATO Official holiday
- Vacation intensive periods
- Weekends

ANNEX E - SYSTEM REQUIREMENTS SPECIFICATIONS



NOR PROJECT PORTFOLIO MANAGEMENT SYSTEM

1 INTRODUCTION

1.1 System Purpose – Vision, Mission and Benefits

The NATO Office of Resources (NOR) is the focal point for the financial management and implementation monitoring of **military common funded resource programmes** at NATO Headquarters (NATO HQ) and works in close consultation and cooperation with the many other stakeholders to deliver the required military capabilities.

As part of a NATO Resource Reform process, the NOR has instituted the NOR System Evolution project aimed at enhancing the NATO financial and implementation management Business Processes by increasing the levels of transparency, accountability and efficiency by fully taking 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).

NOR senior management endorsed the following vision, mission and benefits for the PPM project.

Vision – The PPM solution will enable NOR to improve and further integrate military common-funded resource management by collecting, analysing and reporting financial and implementation information in a timely and accurate manner.

Mission – The PPM solution will provide the technical framework to support management and monitoring of common-funded military resources in terms of Investment, Operations and Maintenance (O&M) running and Manpower costs.

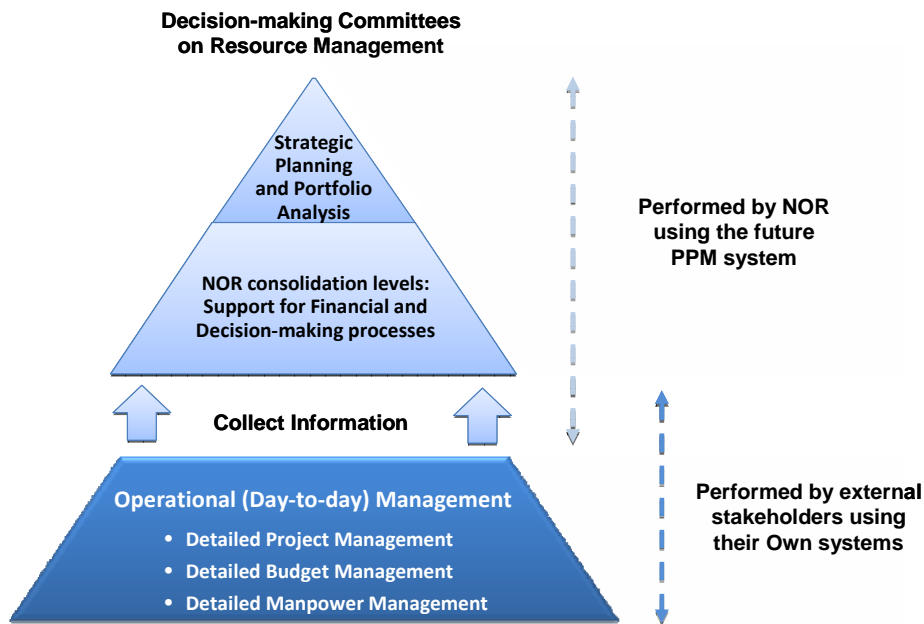
Overall intended benefits from the PPM solution:

- *Transparency.* Enable quality and timely exchange of information between NATO stakeholders involved in resource management.
- *Accountability.* Increase the accountability of Host Nations for the use of resources provided by the NATO nations.
- *Value-Added.* Increase NOR analysis and reporting capabilities while retaining flexibility and scalability for future information needs.
- *Decision Making.* Provide better management information for decision makers at all levels, as a result of quality and timely provision of information by Host Nations.
- *Efficiency and Automation.* Increase NOR productivity, by reducing paperwork and data manipulation through remote inputs and automated outputs resulting in the ability to dedicate more time to value-added financial analysis activities.
- *Best Practices:* Ensure NATO's resource management processes reflect best practices in public finance through the capabilities embedded in the PPM system.

1.2 System In and Out of Scope

1.2.1 System Scope

The scope of the future PPM system is presented in the following figure.



The PPM system will support the decision making related to the allocation and use of military common funded resource programs at NATO. Therefore the PPM system can be viewed as a Decision Support System which focuses on receiving, recording, analysing, monitoring and reporting information to support resource management decision-making by NATO nations.

The PPM system will provide capabilities to collect, validate, record, analyse, consolidate and report on financial and implementation information provided by external stakeholders who are responsible for the day-to-day management of projects, programs, budgets and manpower requirements.

The Major System Capabilities required are included in Section 2.2. The detailed system requirements in PPM scope are included in sections 3 (Functional requirements), 4 (Interface requirements), 5 (Compliance requirements) and 6 (Technical requirements).

1.2.2 System Out of Scope

The following high-level system functionalities are out of scope for the PPM system:

- Earned value management;
- Asset management;
- Cash disbursements between Host Nations (HNs) for NATO Security Investment Programme (NSIP);
- Cash disbursements for Military Budget (MB);
- Detailed resource management (i.e. timesheets) and allocation of manpower to projects;
- Automated notifications (i.e. data will only be pulled through queries and not pushed through emails to staff for action/approval);
- Preparing screening reports of projects / documents in PPM;
- Management of Civilian Budget (CB).

1.3 References

APPENDIX 1 – PPM SYSTEM REQUIREMENTS SPECIFICATIONS – CONTEXT DOCUMENT.

APPENDIX 2 – PPM SYSTEM REQUIREMENTS SPECIFICATIONS – EXCEL FILE.

APPENDIX 3 – ABBREVIATIONS AND GLOSSARY OF TERMS.

2 GENERAL SYSTEM DESCRIPTION

2.1 Context

2.1.1 Capabilities

To accomplish its roles, the North Atlantic Treaty Organization (NATO) needs capabilities, such as military and civilian manpower, weapon systems, ammunition, airfields, infrastructure, transport, logistics support, command and control systems, headquarters buildings, communication and information systems, etc. In many cases, the member nations supply these capabilities; in other cases, they must be procured.

2.1.2 Funding Mechanisms

Different funding mechanisms are used to provide the monetary resources for the purchase of these capabilities:

- **National Funding:** Each NATO nation allocates funds from Defence and/or Foreign affairs budgets.
- **Multi-National Funding:** Multi-National Funding refers to a funding arrangement outside the NATO structures involving two or more nations.
- **Joint Funding:** Joint Funding is a special type of Multi-National Funding within the terms of an agreed NATO Charter. The participating nations identify requirements, priorities, and funding levels, and develop a formal cost sharing mechanism.
- **Common Funding (CF):** NATO has many requirements that cannot be met through the above mentioned funding mechanisms by the member nations. These requirements include NATO headquarters and the facilities for the Military Command Structure, NATO command and control systems, and NATO operations and exercises. To provide funds for these requirements, formal arrangements have been put in place whereby nations, collectively, provide funds to NATO. These arrangements are called Common Funding.

2.1.3 Types of Common Funding

There are three different types of CF: the Civil Budget, the Military Budget, and the NSIP.

- **The Civil Budget (CB):** NATO Headquarters was established under the agreement (known as the Ottawa Accord) for International Headquarters. Recognizing the unique financial situation affecting NATO Headquarters, and the political (as opposed to military) role of the Headquarters, a special type of CF, known as the CB, was established to support this International Headquarters.

The CB operates as an annual budget and is controlled by the Budget Committee (BC). Expenditures are implemented by the International Staff (IS) at NATO Headquarters. The funds are provided from the Foreign Affairs Budgets in the nations. The main expenditures are the salaries of the members of the IS, and the running costs of NATO Headquarters.

- **Military Budget (MB):** The MB is the collective name for approximately 50 individual budgets. It provides funds for:
 - NATO's integrated Military Command Structure (incl. civilian salaries), e.g. salaries of civilians working in the International Military Staff (IMS);
 - Operation and Maintenance (O&M) costs of NATO systems (such as NATO Satellite Communication (SATCOM));

- O&M costs (that are not directly attributable to a troop contributing nation) for Allied Operations and Missions (AOM);
- NATO Training, Educational and Research entities.

The MB operates as an annual budget, coinciding with the calendar year and budget allocations are approved by the BC; Expenditures are implemented by the Budget Holders, i.e. Strategic Commands (SCs) and subordinated structures. The funds are provided from the Defence Budgets in the nations. Most of BC funds are used for recurring expenses such as salaries and O&M. The 2012 MB contribution ceiling is 1.45 billion Euros and for its most part is funded by the 28 NATO Allies (i.e. member nations).

- **NATO Security Investment Programme (NSIP)** which manages NATO capital investments (such as Communication and Information Systems, Investments for Operations Deployments, Air defence and Strategic Infrastructure). The NSIP provides funds for design, development, construction and implementation of facilities and equipment that are required by the Strategic Commanders to complete their missions (but are not provided by the member nations) and necessary for providing, restoring and/or enhancing assets. NSIP projects are funded by the 28 member nations (however there may be projects where less than 28 member nations contribute depending on the cost share arrangements of those projects), while implementation is performed by 32 Host Nations (i.e. 28 Allies, 2 NATO Agencies and 2 Strategic Commands). The 2012 NSIP ceiling is 800 million Euros. NSIP accommodates in total approximately 4,000 active projects, out of a total of 20,000 projects.

Note: the scope of the future PPM system includes NSIP and MB. Civilian Budget is excluded.

2.2 Major System Capabilities

The PPM system must provide the following major capabilities:

- The PPM system must receive, validate, record, analyse, consolidate and report on the information related to the following domains:
 - The NSIP Programs and Projects:
 - Programs and Project monitoring
 - Planning and Programming
 - Authorisation (Stage Gated process)
 - Implementation
 - Acceptance and Transition to 'in-Service'
 - Deletion from Inventory
 - Financial Management
 - Expenditures Authorisation and Follow-up (forecasts and expenditure profile, actuals)
 - Call for Contribution
 - Basis for Multi-lateral compensation
 - The Military Budget
 - Budget Authorisation
 - Monitoring of Budget Execution
 - Manpower
 - Collect and consolidate NATO wide Manpower requirements in order to provide a medium-term vision on these requirements.
- The PPM system must provide for capabilities for receiving, validating, recording, analysing, (including simulation), consolidating and reporting at the following levels:
 - Portfolio level
 - Program and Project levels

- Financial/Budget level

2.3 Stakeholders and Users

2.3.1 Stakeholders

The North Atlantic Council (NAC) has ultimate responsibility for the provision of common-funded resources throughout the Alliance.

The Secretary General is accountable to the NAC for the provision of the organisation and systems to manage the delivery of commonly funded resources. He achieves this through the provision of the NATO Office of Resources (NOR). The Secretary General therefore also has a key interest in improving resource management as part of his overall remit to Alliance Reform.

The NATO Resource Policy and Planning Board (RPPB) is accountable to the NAC for the scrutiny of requests for capabilities and making recommendations on their eligibility and affordability. The Board has a lead policy and planning role in all NATO military common funded resources areas and Resource Reform. RPPB has 2 subordinate committees: Investment Committee (IC) and Budget Committee (BC), towards which it provides guidance and direction on resources issues.

The Investment Committee is authorising the NSIP projects (i.e. in terms of scope and financial) and monitoring their implementation.

The Budget Committee has responsibility for the management of the Military Budget - which include Operations and Maintenance (O&M) of In-Service NSIP projects – and the assessment of and recommendation for the Civil Budget.

The NATO Office of Resources (NOR) is the focal point for the financial management, reviewing, recommending and implementation monitoring of military common-funded resource programmes at NATO HQ and works in close consultation and cooperation with the many other stakeholders to deliver the required military capabilities.

The Strategic Commands (SC) are key stakeholders as they are the initiators of military requirements. They also manage the funding for Operations and Maintenance (O&M) for commonly funded in-service projects. They are therefore the owners and critical providers for the life-cycle data for resource management. Occasionally, they may also be capability implementers.

The NATO Agencies are key stakeholders as they are currently responsible for the majority of capability and project implementations. These are the NATO Communication and Information Agency (NCIA) and the NATO Support Agency (NSPA).

The 28 NATO territorial Host Nations (HNs) are stakeholders as they may be capability or project implementers and if these capabilities are based on their national territory they have responsibility for the provision of ongoing O&M for infrastructure capabilities, which are not necessarily funded through common funding. They are therefore providers of initial cost estimates of NSIP projects and O&M costing for in-service projects.

The International Military Staff (IMS) are responsible for the scrutiny of capability and project proposals against military requirements on behalf of the Military Committee (MC) and for the provision of “Manning” (or Manpower) data, which forms part of the overall O&M costs.

NATO Communication and Information Agency (NCIA), in collaboration with ICTM provide the infrastructure within NATO HQ on which resource management IT systems are hosted. They also provide links to the NATO SECRET Wide Area Network (NS WAN) and Internet for wider connectivity.

The International Board of Auditors for NATO (IBAN) are stakeholders as they audit the prudent and correct use of funds based on decisions taken by Resources Committees.

Benefits from the PPM solution by organisational structure:

- *NOR Management:*
 - o Improve quality and timeliness of reporting on all aspects of resource management processes handled through NOR;
 - o Provide for improved integration, access and consistency for reporting of data for the three resource pillars i.e. NATO Security Investment Programme (NSIP), Military Budget (MB) and Manpower.

- *NOR Management & Implementation Branch:*
 - o Enable easy online access to and reporting of information related to NSIP projects for screening, technical acceptance and advice in a standardized manner;
 - o Leverage data provided by Strategic Commands, Host Nations directly in PPM;
 - o Ability to track high-level milestones for NSIP projects and continuous update of milestone data by Host Nations;
 - o Ability to monitor capability implementation / delivery for NSIP projects;
 - o Easy search functionality of NSIP and MB information directly in PPM.

- *NOR Plans & Policy Branch:*
 - o 'One stop shop' for project financial and implementation related information;
 - o Facilitate consolidation of data required for Medium Term Resource Planning (MTRP);
 - o Perform 'what-if' and portfolio analysis;
 - o Monitor and report on NSIP Implementation Management Procedure and Key Performance Indicators;
 - o Ability to track high-level MB and Manpower data.

- *NOR Secretariat & Finance Branch:*
 - o Continuous update in PPM of financial data by Host Nations and Strategic Commands will reduce data manipulation and validation efforts and thus will lead to more time dedicated to value-added financial analysis activities;
 - o Improve monitoring of the financial situation (including budget execution) and timely reporting;
 - o Provide more developed financial analysis and reporting capabilities;
 - o Enable link between NSIP and MB for total lifecycle costing purposes (i.e. O&M and Manpower impact from NSIP projects into MB for planning purposes; MB split by NSIP projects for analysis on actuals);
 - o Provide the capability to corroborate NSIP financial information (i.e. forecasts) with implementation information (i.e. milestones);
 - o Facilitate the generation of reports through system generated standard and user-defined (financial) reports;
 - o Ability to have history of data in PPM (i.e. forecast evolution, etc).

- *Resource Committees:*
 - o Improve governance over resource management processes;

- More qualitative and timely information for decision making purposes;
- Increased accountability for Host Nations.

- *IMS / Strategic Commands:*
 - Overview of military capabilities portfolio;
 - Overview of progress in the timely delivery of military capabilities.

- *Host Nations:*
 - Standardised information for requests to be submitted directly in PPM;
 - Reduce intensive reporting efforts (i.e. semi-annual or quarterly) through continuous / regular reporting directly in PPM;
 - Overview of own data submitted for screening;
 - Monitor progress through the availability of integrated financial and implementation data in PPM.

- *IBAN:*
 - Access to up-to-date project financial information for Certificate of Final Financial Acceptance purposes related to NSIP projects.

2.3.2 Users

The table below provides a summary of the various User Types and number of users projected for the system:

PPM User Type	User Definition	Estimated User Count
PPM Functional, System and Database Administrators	Functional (i.e. 2) and technical (i.e. 4) experts that are granted security and functional privileges to configure the application, user screens, reports, maintain the system and the database etc.	6
Super Users	Functional users that are granted security and functional privileges to create, read, update and approve all types of information, and to run reports and queries for all types of information.	10
Standard Users: NOR	Functional users that are granted security and functional privileges to create and update information to their functional area and to read information, run reports and queries for all types of information.	46
Standard Users : External	Functional users that are granted security and functional privileges to create and update information to their functional area and to read information, run reports and queries for all types of information, according to their specific access rights (e.g. a Host Nation user can only update its CPs and Projects).	100

Total initial estimated number of users = 62 (i.e. PPM Functional, System and Database Administrators, Super Users and Standard Users – NOR)

Additional estimated number of users = 100 (i.e. Standard Users – External)

The following relevant user categories have been identified for the PPM system.

Cat	NATO User Type	PPM Users	PPM User Type
U1	NATO HQ User	NOR, IBAN, IMS	Super and Standard Users (NOR) Standard External (IBAN and IMS)
U2	NATO HQ Nation User	National Delegations to NATO HQ	Standard External
U8a	NATO WAN Remote User	Strategic Commands, Host Nations (Territorial, NATO Agencies, SHAPE)	Standard External
U11	NATO HQ System Administrator User	NCIA	PPM System and Database Administrators
U11a	NATO HQ Application Administrator User	NOR and ICTM-PAS	PPM Functional and System Administrators
U11b	NATO HQ Contractor or Supplier User	PPM Vendor / Implementer	PPM System Administrator (only during system implementation and for support – in line with agreed terms and conditions by the Organisation)
U14	Non-Personal Entity (NPE) User	PPM's related service accounts and those required for a direct interface with other services (e.g. Active Directory service, Messaging service, DMS service, etc.)	Service Account

Note:

2.3.3 External users are on a different Windows Active Directory domain.

2.3.4 No mobile user accessing the system.

2.3.5 No user accessing the system from a non-NS or NS-WAN computer.

3 FUNCTIONAL REQUIREMENTS

Functional Areas	
AUD	Audit
FIN	Financial Management (generic for NSIP & MB)
FIN MB	Financial Management specific to MB
FIN NSIP	Financial Management specific to NSIP
GEN	Generic requirement, applicable to all Functional areas
IntPro	Internal Processes
MAN	Manpower
POR	Portfolio Management
PRO	Program/Project Monitoring
REP	Reporting

Requirement Type	
D	Desirable Requirement
M	Mandatory Requirement

Column 'Section Ref Supporting Descriptions' refers to the PPM System Requirements Specifications - Context Document in APPENDIX 1 to ANNEX E to PART IV.

Any 'Gen' value in this column indicates a generic requirement, not directly related to a specific section of the PPM System Requirements Specifications - Context Document. Requirements are sorted by 'Section Ref. Supporting Descriptions' column.

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
PRO	1	1.1	M	The system shall accommodate different types of programs (CPs) and projects, having different set of attributes.	2.2

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
PRO	1	1.2	M	The system shall accommodate different project lifecycles by project type (e.g. full project lifecycle for CPs and SAP vs. 'fast track' for Minor Works, Urgent Requirements and Prefinancing).	2.2
PRO	2		M	The system shall be able to create unapproved programs or projects in an early stage of their lifecycle, i.e. only identified and not yet defined in detail.	2.2
PRO	3		M	The system shall accommodate multiple stages before and during project authorisation (i.e. advance planning funds, intermediate authorisation, final authorisation), project implementation (i.e. bidding, contracting, completion), project acceptance (i.e. technical acceptance, financial acceptance), project in-service and project deletion.	2.2
PRO	4		M	The system shall provide the ability to create, save and reuse project templates. Templates should enable the standardisation and reuse of e.g.: - Major milestones; - Project structure : CP and Projects; - Portions of projects and partial authorisations; - Cost Shares.	2.2
PRO	5		M	The system shall allow the creation of CPs or projects using predefined templates.	2.2
PRO	6		M	The system shall provide the ability to uniquely identify each project regardless of its status.	2.2
PRO	7		M	The system shall record implementation information about the project: high level timelines and milestones (detailed scheduling of project activities not required).	2.2

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
PRO	8		M	The system shall accommodate multi-year projects and associated project profiling data (i.e. expenditure forecast, implementation schedule etc.).	2.2
PRO	9		M	The system shall be able to record per project a list of the products built through the project, i.e. name and short description of the products delivered through the project.	2.2
PRO	10	10.1	M	The system shall provide the ability to identify the O&M tail of a project, during the NSIP life-cycle, in order to assess the impact of the future O&M costs on the future annual military budgets and while the capability is operational in order to assess the impact of the actual O&M costs on the current annual military budgets.	2.2.1
FIN	10	10.2	M	The system shall provide the ability to handle and store periodic new versions of the cost estimates and expenditure profiles for the O&M tail, during the life-cycle of the NSIP Project and while the capability is operational.	2.2.1
PRO	11		M	The system shall allow the recording of several partial authorisations (i.e. authorisations to execute part of the authorised scope) during project authorisation and implementation phases. It consists in: - identifying a portion of a project; - recording the related information i.e. estimation to complete, manpower and milestone, authorised amount to perform this portion.	2.3.1 & 2.3.2 & 2.3.3
PRO	12	12.1	M	The system shall be able to record several versions of the project and program information, i.e. costs, expenditure profiles and milestones at project and	2.3.1 &

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
				program level. I.e. different versions can correspond to the different stages of the project life-cycle, or can correspond to several updates provided by Host Nations.	2.3.2 & 2.3.3
PRO	12	12.2	M	The system shall provide on-line and off-line reporting functionalities, in order to compare the different versions of the project and program information.	2.3.1 & 2.3.2 & 2.3.3
FIN	13	13.1	M	The system shall allow recording of the financial information (Cost estimates and expenditure profile) related to several partial authorisations during project pre-authorisation and authorisation phases.	2.3.3 & 2.6
FIN	13	13.2	M	The system shall allow the recording of the financial information (Cost estimates and expenditure profile) related to several partial authorisations (i.e. authorisations to execute part of the authorised physical scope) during the project implementation phase.	2.3.4 & 2.6
PRO	14		M	The system shall allow recording of detailed Contract related information.	2.3.4
PRO	15		M	The system shall allow Host Nation / IS-NOR to enter the proposed updates of the implementation milestones and expenditure actuals and forecast.	2.3.4
PRO	16	16.1	M	The system shall be able to record multiple partial technical acceptances for a project.	2.3.5
PRO	16	16.2	M	The system shall be able to record a list indicating which products of the project have been accepted, and when.	2.3.5

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
FIN	17		M	The system shall be able to record adjustments (under spending or overspending) resulting from the financial acceptance process.	2.3.6
PRO	18		M	The system shall be able to record the fact that a project is 'deleted', (including date and reason), without actually deleting the project record and associated data.	2.3.8
REP	19	19.1	M	The system shall provide analysis and performance measurement at portfolio, program and project level.	2.4 & 3.4
REP	19	19.2	M	The system shall provide analysis and performance measurement at portfolio, program and project level, using Key Performance Indicators (KPI's).	2.4 & 3.4
REP	19	19.3	M	For each of the NSIP and MB KPIs described in the PPM System Requirements Specifications - Context document, the Bidder shall indicate the ones which are standard in your COTS software, the ones that can be configured using the configuration features of the COTS software and the ones needing development/customisation. The Statement of Work specifies the number of KPIs to be implemented.	2.4 & 3.4
REP	20	20.1	M	The system shall provide report capabilities at portfolio, program and project level.	2.4 & 3.4
REP	20	20.2	M	For each of the NSIP, MB and Manpower reports described in the PPM System Requirements Specifications - Context document, the Bidder shall indicate the ones which are standard in your COTS software, the ones that can be configured using the configuration features of the COTS software and the ones needing development/customisation. The Statement of Work specifies the number of reports to be implemented.	2.4 & 3.4

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
REP	21		M	The system shall provide the ability for users to view project milestones in a timeline format.	2.4
IntPro	22	22.1	M	The system shall be able to collect information either using input forms/screens, or by upload of data files.	2.5
IntPro	22	22.2	M	The system shall allow the entry of bulk project information or information via file uploads (e.g. XML, CSV, MS Excel files, HTML).	2.5
IntPro	22	22.3	M	The system shall allow the entry of bulk budget information or information via file uploads (e.g. XML, CSV, MS Excel files, HTML).	2.5
IntPro	23		M	The system shall have the ability to store different set of values of the same set of information: <ul style="list-style-type: none"> • the information submitted for screening; • the information after screening; • and the information approved. 	2.5
IntPro	24		M	The system shall provide a validation functionality when uploading data file: an intermediate validation of the uploaded data must be performed before applying the changes in the production environment.	2.5
IntPro	25		M	The system shall allow to record and report on requests of different kind: e.g. requests for call for contribution, CP submission, authorisation, etc.	2.5
IntPro	26		M	The system shall provide the ability to associate an object of the PPM system with a document stored in the Document Management System (DMS) of NATO.	2.5.2

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
FIN NSIP	27		M	The system shall reject (as defined by business rules) the entry of project expenditure actuals that are in excess of authorised amounts.	2.6
FIN NSIP	28		M	The system shall record the contract notification (e.g. contract reference, amount, date) and contract changes (e.g. amount, date, explanation) by project.	2.6
FIN NSIP	29		M	The system shall record financial information about investment projects: total cost estimates, expenditure profile (cost estimates per year) and actual expenditures.	2.6
FIN NSIP	30		M	The system shall provide rollup capabilities of the financial information according to several rollup dimensions such as but not limited to the lifecycle of the project or consolidation criteria like Requirement Areas, Military Priorities, Host Nations, Cost Shares and Capabilities Packages.	2.6
FIN NSIP	31		M	The system shall provide reporting by projects including all financial events impacting that project (e.g., initial total cost, revised total cost, expenditure forecast, actual expenditure, authorisations, changes by finance staff, other events defined by business rules).	2.6
FIN NSIP	32		M	The system shall report financial information for each portfolio, programme and project, according to different consolidation rules. E.g. the sub-totals depicting the level of commitment (i.e. the solidity) of the expenditure profile of the project.	2.6.1
FIN NSIP	33	33.1	M	The system shall automatically calculate at project level the carry forwards (delta between forecast and actuals) from prior reporting period, as defined by business rules.	2.6.2

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
FIN NSIP	33	33.2	M	The system shall be able to calculate the total of the project carry forwards at program level, as defined by business rules.	2.6.2
FIN NSIP	33	33.3	M	The system shall be able to calculate the total of the program carry forwards at portfolio level, as defined by business rules.	2.6.2
FIN NSIP	34		M	The system shall manage several cost shares.	2.6.3
FIN NSIP	35		M	The system shall allow associating one or multiple cost shares to a project simultaneously with one or multiple Host Nation.	2.6.3
FIN NSIP	36		M	The system shall generate at any point in time an overview of actual vs. forecasted vs. ceiling expenditure at portfolio level for current year and future years (at least 5 years).	2.6.3
FIN NSIP	37	37.1	M	The system shall provide the multilateral financial compensation mechanisms between the Nations (28) contributing with different cost shares by project and Host Nations (32), receiving the funds in order to execute the projects, according to the authorisations.	2.6.4
FIN NSIP	37	37.2	M	The system shall provide the ability to track historical contributions paid and received by Host Nations and by Cost Share.	2.6.4
FIN NSIP	38		M	The system shall provide the ability to track the funds paid/or forecasted to be paid by the contributing nation to the relevant CP or project.	2.6.4
FIN	39	39.1	M	The system shall provide multi-currency and exchange rates capabilities.	2.6.6 &

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
					3.3
FIN	39	39.2	M	The system shall provide two independent currency/exchange rates capabilities, one for NSIP and one for MB respectively, with different update frequencies.	2.6.6 & 3.3
FIN MB	40		M	The system shall provide budget management capabilities at portfolio level (budget ceiling, approved budget, tracking budget execution in terms of budget vs. actuals etc.) for Military Budgets.	3
FIN MB	41		M	The system shall enable to create and maintain the link between the O&M Operation & Maintenance costs (MB) and the investment projects (NSIP) they relate to, during the Product/Project 'In Service' stage.	3.1
FIN MB	42	42.1	M	The system shall provide the ability to create, save and reuse budget templates. Budget templates shall enable the standardisation and reuse of budgets and related structure.	3.2
FIN MB	42	42.2	M	The system shall allow the creation of budgets using predefined templates.	3.2
FIN MB	43	43.1	M	The system shall accommodate the following budget structure: <ul style="list-style-type: none"> • NATO Military Authority (e.g. ACO); • => decomposed into multiple NATO Military Authority subordinate structures (e.g. SHAPE) or budget codes; • => decomposed into multiple Chapters; • => decomposed into multiple CISI (sub chapters). 	3.2
FIN MB	43	43.2	M	The system shall provide the ability to create/change/move the budget codes and budget structure at any time of the year.	3.2

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
FIN MB	43	43.3	M	The system shall accommodate any other budget structures than the one described above.	3.2
FIN MB	44		M	The system shall provide roll up and reporting functionality across the budget structure: NMA =>budget codes=>chapters=> CISI.	3.2
FIN MB	45	45.1	M	The system shall track and keep multiple versions of budget amounts (e.g. amount submitted, amount approved originally, amounts approved after 1 st execution). The different versions of the figures need to be kept and not overwritten.	3.2
FIN MB	45	45.2	M	The system shall allow reporting across the budget versions or frozen versions (i.e. create a report with requirement, initial approved budget, budget after 1 st execution, etc.)	3.2
FIN MB	46		M	The system shall track and breakdown frozen credit amounts at any level of the budget structure.	3.2
FIN MB	47		M	The system shall track and breakdown contract authority amounts at any level of the budget structure.	3.2
FIN MB	48		M	The system shall track carry forwards amounts - i.e. difference between authorised expenditure and the sum of actual expenditure and remaining commitments at year end - at any level of the budget structure.	3.2
FIN MB	49		M	The system shall track lapsed amounts - i.e. uncommitted amounts at budget year end - at any level of the budget structure.	3.2
FIN	50		M	The system shall provide ability to recalculate budgets multiple times during fiscal year using	3.2

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
MB				different exchange rates and currencies.	
FIN MB	51		M	The system shall be able to link budgets or part of budgets (percentages of budgets) to requirement areas for consolidation, reporting and simulations purposes.	3.2
FIN MB	52		M	The system shall be able to link budgets to cost shares for consolidation, reporting and simulations purposes.	3.2
FIN MB	53		M	The system shall allow the possibility to track additional information (e.g. transferred amounts between budgets, committed amounts, expended amounts, etc.) at any level of the budget structure; keeping the different versions of the provided information.	3.2
FIN MB	54		M	The system shall provide the possibility to group budgets in portfolios for consolidation, reporting and simulation purposes.	3.4
MAN	55		M	The system shall be able to receive, record and report multiple categories of manpower (i.e. civilians, militaries, consultants and Local Wage Rate).	4
MAN	56		M	The system shall be able to receive, record and report high-level manpower data : e.g. FTE's <ul style="list-style-type: none"> • per manpower category; • per requirement area; • per year; • per budget codes. 	4
MAN	57		M	The system shall be able to receive, analyse, record and report manpower data for the O&M Tail of an NSIP project, during the project life-cycle: e.g. FTE's for the O&M tail of a project <ul style="list-style-type: none"> • per manpower category; 	4

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
				<ul style="list-style-type: none"> • per requirement area; • per budget code; • per year. 	
MAN	58		M	<p>The system shall be able to receive, record and report manpower data per budget of the MB: e.g. FTE's</p> <ul style="list-style-type: none"> • per manpower category; • per requirement area; • per budget code. 	4
MAN	59		M	<p>The system shall be able to define multiple consolidation fields such as 'Requirements Areas', 'Military Priorities', allowing multiple consolidations and analysis of the information (i.e. financial information, manpower).</p>	Gen
POR	60		M	<p>The system shall have the possibility to group projects, programs in portfolios for consolidation and reporting.</p>	Gen
POR	61	61.1	M	<p>The system shall have 'What if' scenario analysis capabilities at portfolio level. E.g. to analyse the impact of global delay on a selection of projects; impact of projects / programs over/under spending at portfolio level.</p>	Gen & 2.3.1
POR	61	61.2	M	<p>The system shall allow populating scenarios by selection of groups of projects from a top-down perspective.</p>	Gen & 2.3.1
POR	62		M	<p>The system shall aggregate projects information according to tailored criteria into programs, which can then be aggregated at portfolio level.</p>	Gen
POR	63		M	<p>The system shall provide the ability for users to drill down, at any level of granularity (e.g. from portfolio</p>	Gen

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
				to programs and projects, on FTEs, on MB).	
IntPro	64	64.1	M	The system shall have built-in workflow capability (no automated notifications required).	Gen
IntPro	64	64.2	M	The system shall provide the ability to modify built-in workflow. This modification must be done by a user having administrator rights, using configuration capabilities.	Gen
GEN	65	65.1	M	The system shall be able to prevent the update of fields depending on project stage, user profiles and more generally, as defined by business rules.	Gen
PRO	65	65.2	M	The system shall only allow updates of authorised amounts on projects by specific users.	Gen & 2.3
FIN MB	65	65.3	M	The system shall only allow updates of amounts on authorised versions of the budgets by specific users.	Gen & 3.2
REP	66		M	The system shall have performance measurement capabilities; i.e. Key Performance Measurement to be defined, targets allocated to them, and performance measured against targets.	Gen
REP	67	67.1	M	The system shall be able to roll up and report projects by Key Performance Indicator.	Gen
REP	67	67.2	M	The system shall be able to roll up and report programs by Key Performance Indicator.	Gen
REP	68	68.1	M	The system shall have reporting capabilities at portfolio level (e.g. dashboards, actual vs. budget, slippage, cost increases / decreases etc).	Gen

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
REP	68	68.2	M	The system shall have reporting capabilities at program level (e.g. dashboards, actual vs. budget, slippage, cost increases / decreases etc).	Gen
REP	68	68.3	M	The system shall have reporting capabilities at project level (e.g. dashboards, actual vs. budget, exception reporting on projects missed milestones, slippage, cost increases / decreases etc).	Gen
REP	69	69.1	M	The system shall provide the ability to display projects (e.g. on a “bubble chart” for visual analysis), with the dimensions (x and y axes) easily configurable by the user based to reflect any project attribute (for example, by risk score, cost, performance etc).	Gen
REP	69	69.2	M	The system shall provide the ability for end-users to easily create or modify graphical charts.	Gen
REP	70		M	The system shall provide the ability to easily export report results in any format desired by the user, including HTML, PDF, RTF, MS Word, MS Excel, and MS PowerPoint. The Bidder shall specify the output reporting capabilities of the proposed system.	Gen
REP	71		M	The system shall provide the ability for end-users to easily create standard reports via a report design wizard.	Gen
REP	72		M	The system shall provide the ability of end-users to schedule reports to run in the future, either regularly recurring or one-time.	Gen
GEN	73	73.1	M	The system shall provide the possibility to freeze a picture of the situation of CPs, Projects and Budgets at a certain point in time corresponding to major events of the CPs, Projects and Budgets. E.g.	Gen

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
				<ul style="list-style-type: none"> Freezing the project data when the Project receives the status 'Programmed'; Freezing the budget data when the Budget is 'Authorised'. 	
GEN	73	73.2	M	<p>The system shall provide the possibility to freeze a picture of the situation of CPs, Projects and Budgets at a certain point in time corresponding to cut-off dates.</p> <p>E.g.</p> <ul style="list-style-type: none"> freezing the situation at the end of each Quarter. 	Gen
GEN	73	73.3	M	The system shall provide by default on-line access to the latest information.	Gen
GEN	73	73.4	M	<p>The system shall provide on-line access to one of the previous frozen situation, on request by the user.</p> <p>The user shall be able to specify which frozen session he/she wants to display.</p>	Gen
REP	74		M	The system shall provide the ability of end-users to generate reports with reference dates in the past, using historic data.	Gen
AUD	75	75.1	M	The system shall record user ID and date stamp every time a record is created / changed / deleted in the system.	Gen
AUD	75	75.2	M	The system shall maintain history of all transactions entered and of all data.	Gen
AUD	76		M	The system shall provide audit trail capabilities at database level (e.g. date stamp when project changes status / moves to next phase, previous expenditure profile data / implementation milestones).	Gen

Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions
GEN	77		M	The system shall provide capabilities to facilitate repetitive actions, such as creating projects, creating users, creating budgets, creating portfolios, etc.	Gen
PRO	78		D	The system should provide Bottom-up and Top-Down mechanisms to perform actions such as closing or changing the status. E.g.: - Bottom-up: The technical acceptance of the products of a project is done product by product. When all products have been accepted, the project can receive the status 'Technically accepted'; - Top-Down: The technical acceptance is recorded at the level of the project and all products are then automatically receiving the status 'Technically accepted' (Cascade).	Gen
GEN	79		M	The system shall provide configuration capabilities in order to easily create or modify Business rules, such as 'Imposing a limit for an amount' or 'Imposing that 'Actuals expenditure' cannot be greater than the authorised expenditure estimate'.	Gen
PRO	80		M	The system shall provide the ability to modify the structure CP/Projects, in order to follow the changes occurring to the CP or to the Project during its authorisation and implementation.	Gen & 2.3
REP	81		M	The system shall allow the viewing and extracting of all data and the reporting on all fields.	Gen
GEN	82		M	The system shall allow for gating to be exercised by the NOR (i.e. entries do not affect the database until approved/authorized by a central NOR user).	Gen

4 INTERFACE REQUIREMENTS

4.1 Technical interfaces

Interfaces with any other application systems (e.g. ERP) providing information from or to the PPM system, at least in a first phase, is not in the scope of the Project. However, the System Requirements should envision the long term; hence section Technical Requirements contains requirements about technical interfaces capabilities.

4.2 Data file uploads and extractions

Exchange of information between the NOR PPM system and the Host Nations or the Strategic Commands can in many cases imply great volumes of data. This means that mass upload of information must be possible to feed the PPM system. These uploads will be based on standard exchange formats such as CSV, XML, XLS, etc.

Upload 'waiting room': When uploading data file, the new data should not directly impact the stored information: an intermediate validation of the uploaded data must be possible before applying the changes in the database.

The system must also provide data extraction functionalities, in order to generate data files to be sent to internal and external stakeholders.

Refer to the PPM System Requirements Specifications - Context Document, Section 2 for more details from a functional point view.

Refer to Section 6 'Technical Requirements' of the current document for more technical details.

4.3 Integration with the Document Management System

All documents related to the Common Funded projects and budgets are stored in the NATO Document Management System (DMS) based on Hummingbird at the present.

The current DMS is being migrated to a new solution composed by the following products: Documentum is the main component, K2 for the workflow, Autonomy for the search capability, and SharePoint 2010 as the main end-user interface.

The PPM system must be able to record and maintain the link between the documents stored in the new DMS solution (to be confirmed by the Organisation at the start of PPM implementation) and the related PPM records.

Refer to the PPM System Requirements Specifications - Context Document, Section 2.5' for more details from a functional point of view.

Refer to Section 6 'Technical Requirements' of the current document for more technical details.

5 COMPLIANCE REQUIREMENTS

Areas	
CR	Compliance Requirement

Sub Areas	
TQC	Technical Qualification Criteria

Area	Sub-Area	Req No.	Compliance Requirement
CR	TQC	1	The system shall be an integrated solution from a single vendor or Consortium (including integration of any 3rd party tools provided with the system).
CR	TQC	2	The vendor(s) can only be registered in any of the 28 member Nations of the Organization.
CR	TQC	3	The system shall be Web based, support standard web technologies and provide the capability to securely access and update information via Intranet only. The system shall support air-gap between Bidder's and Organisation's environments for patches, updates, upgrades / releases.
CR	TQC	4	The system shall comply with the existing technical environment (hardware and software) described in Section Technical Requirement/ NATO Context.
CR	TQC	5	The system shall operate with a Microsoft Server operating system. No other operating systems will be accepted. See also the Technical context , section 6.1.
CR	TQC	6	The system shall operate with either Microsoft SQL Server or Oracle databases. No other databases will be accepted. See also the Technical context , section 6.1.

Area	Sub-Area	Req No.	Compliance Requirement
CR	TQC	7	The system shall operate, if asked by the Organisation, in a VMWare based server virtualization environment. Bidder is required to identify components that cannot use a virtualized environment or that the Bidder recommends not using a virtualized environment.
CR	TQC	8	<p>The system shall have been successfully implemented in at least 5 (five) organisations. At least 3 (three) of these projects must have been:</p> <ul style="list-style-type: none"> - similar in size, scope, and complexity to the NOR System Evolution project; - implemented at public sector or international organisations based in any of the 28 NATO member Nations; - implemented in the last 5 (five) years; - provided as verifiable reference to NATO. <p>Ideally, the successful installations should have security requirements similar to the Organization's.</p>
CR	TQC	9	The system shall be supported for a minimum of 10 (ten) years after the Initial Go-live.

6 TECHNICAL REQUIREMENTS

6.1 NATO Technical Context

NATO HQ IS mainly operates a Windows/Intel based technical environment. The environment in which the proposed solution will operate has the minimum characteristics described below. It can be expected that some of the software and hardware versions may be upgraded by the time the proposed solution goes live but the overall technology stack is not expected to change. Bidders are expected to comply with the technical environment described below. The Organization does not plan to acquire any additional or different operating systems, databases and infrastructure core services software.

a. Network

- a. Capacity – 10Gb redundant backbones with 100 Mb to the end-user
- b. Latency – low latency
- c. No wireless network available, none envisioned for PPM usage
- d. Virtual LAN (or VLAN) for traffic segregation
- e. Network Fail-Over (FO) and Load-Balance (LB) across server rooms

b. Servers

- a. IBM Blade Centre H with HS22 blades in multiple configurations
- b. IBM rack servers (x3550M2, x3650M2, x3850M2)
- c. Processor – in general 2.8GHz with 8 cores per server
- d. RAM – 6 to 48 MB
- e. Disk capacity – up to 64GB local and over 64GB needs routed to SAN through a 4GB/sec fiber optic channel
- f. Operating system – Windows Server 2008 R2 64 bit
- g. Virtualization – VMWare VSphere4 Enterprise Plus 64 bit

c. Storage

- a. Mirrored HP EVA 8100
- b. Capacity – 50 TB fully mirrored and frequently backed up to tape
- c. Windows Storage Server 2003 64 bit

d. Databases

- a. Microsoft SQL Server Standard/Enterprise 2005 32/64-bit or later
- b. Oracle 10.2 32/64-bit or later

e. End-user workstation

- a. Operating system – Microsoft Windows XP SP3 but currently being migrated to 7 32-bit or 64-bit (the ultimate goal is to have all clients running Windows 7).
- b. Processor – Dual Core 3 GHz
- c. RAM – 4 GB
- d. HDD capacity – 250 GB (but write access is very limited and enforced through Group Policy Objects (or GPO)

- e. MS Office Suite 2002 SP3 but currently being migrated to 2007 (the ultimate goal is to have all clients with Office 2007)
- f. Internet Explorer 8
- g. Sun JRE java virtual machine available

f. Infrastructure core services

- a. Microsoft Active Directory 2003 and/or 2008 and 2008 R2 (the ultimate goal is to switch functional mode to 2008 R2)
- b. Domain name resolution
- c. SSL connectivity; VPN access
- d. IP Address Management (or IPAM)
- e. Network Time Protocol (or NTP)

g. Security services (this list is not exhaustive):

- a. Antivirus
- b. Data Leak/loss Prevention (or DLP)
- c. Network and host IDS/IPS
- d. Firewall and Web Application Firewall (or WAF)
- e. Proxy services (i.e. HTTP AV/Proxy, SMTP AV/Proxy, etc.)

6.2 NATO SECRET Network

The PPM system is intended to be hosted on the NATO SECRET Network (NS) and handle information and data up to and including NATO SECRET. This network is closed and does not provide Internet access.

6.3 Supporting documents

To aid Bidders understanding the technical environment of the Organization the target technical architecture contained in document **Network Realignment & Robustness (NR2) Target Architecture** will be provided to bidders. In order to receive a copy of this document interested bidders have to submit a formal request to the Organization along with a completed and signed copy of the Non-Disclosure Agreement.

The document Network Realignment & Robustness (NR2) Target Architecture is provided for an information purpose only, does not have any contractual value and it is intended only for the use of the bidders. The document is current as of the date of issue and is subject to revisions or modifications without notification. Bidders are expressly forbidden to distribute or disseminate the document in Network Realignment & Robustness (NR2) Target Architecture to any entities or persons other than the bidder.

Along with the NR2 TA, the Approved Fielded Product List (AFPL) details the hardware and software that has already been approved for use within the NATO environment. It is preferred that any hardware, or software, proposed is already on the AFPL as this will speed up the accreditation process. The AFPL can be accessed on the following link (<http://www.ia.nato.int/niapc>).

NATO fosters interoperability and standardization. To this respect bidders may consult the NATO Interoperability Standards and Profiles publication, available on the internet at: http://nhqc3s.nato.int/architecture/_docs/NISP/index.html.

6.4 Security Requirements

Areas	
ASC	Application Security

Area	Req No.	Req Sub-No.	Req Type	Security Requirement
ASC	1		M	The system shall support unique user IDs, Microsoft Active Directory single sign-on, role and group based access control and remote access in line with the infrastructure core services provided by NATO. Bidders shall describe other authentication mechanisms (i.e. own application authentication).
ASC	2		M	The system shall support https latest version with backward compatibility.
ASC	3		M	The system shall support the following levels of security: module level, functional level, row level and field level.
ASC	4		M	The system shall provide system logs, access logs, administrative actions logs, intrusion/misuse detection and reporting, auditing, reporting and the following levels of authorization: agency, division, department, section or group, role, person, form, screen, page or window, file or database, and field or column.
ASC	5		M	The system shall support password management to meet the following NATO HQ IS standards:
ASC	5	5.1	M	Password length is a minimum 9 characters;
ASC	5	5.2	M	Case sensitive using Windows standards for complexity;
ASC	5	5.3	M	Password aging a maximum of 180 days;
ASC	5	5.4	M	Password reuse minimum tracking of the last 24 passwords;
ASC	5	5.5	M	Password lock-out after 3 failed attempts to gain access;
ASC	5	5.6	M	Password value will not be displayed in clear text when entered;
ASC	5	5.7	M	Password value cannot contain or be similar to the user name;
ASC	5	5.8	M	New password and old password cannot have more than 5 characters in common;

Area	Req No.	Req Sub-No.	Req Type	Security Requirement
ASC	5	5.9	M	Password shall contain at least 3 (three) of the 4 (four) following types of characters:
ASC	5	5.10	M	Upper case letter;
ASC	5	5.11	M	Lower case letter;
ASC	5	5.12	M	Number;
ASC	5	5.13	M	Special character (e.g. \$ % @);
ASC	5	5.14	M	Numbers cannot be at the beginning or end of the password;
ASC	5	5.15	M	Special characters cannot be at the beginning or end of the password;
ASC	5	5.16	M	Authorized password reset by system and security administrators;
ASC	5	5.17	M	Encryption is supported on all passwords;
ASC	5	5.18	M	Disable accounts after a pre-defined timeframe of inactivity.
ASC	6		M	The system shall support controlling access by logging or highlighting changes with explanatory notes of changes, read/read-write/no access at user, user group, section, division and agency level.
ASC	7		M	The system shall allow the application administrator to specify what types of activities require supervisory control and override.
ASC	8		M	The system shall support security profiles which can restrict or allow access by staff member level, by module, by field, by staff group, by standard report, by ad-hoc report.
ASC	9		M	The system shall provide an easily maintainable level of individual access per user configured and maintained by the application administrator.
ASC	10		M	The system shall provide audit trail records to show changes (e.g. add/create/change/delete) by user and date/time to any record in the system. Audit trailing must have the capability to be turned on/off.
ASC	11		M	The system shall support generating reports of individual user rights by user, section, division, nation and agency.
ASC	12		M	The system shall support the reporting of qualified and unqualified user attempts to log into the system with workstation, user and date/time.

Area	Req No.	Req Sub-No.	Req Type	Security Requirement
ASC	13		M	The system shall provide the ability for users to maintain their passwords on-line in accordance to the policies defined previously.
ASC	14		M	The system shall support automatic user log off if workstation is inactive (no keying) or there is no user interaction with the system for a set period of time.
ASC	15		M	The system shall support optionally restricting query answers based on security settings of the user executing the query.
ASC	16		D	The system should support the setting of the default security settings for a new user at the most restrictive level.
ASC	17		M	The system shall provide the ability to grant emergency and temporary access to system components or resources for problem resolution and record any such actions in the security logs.
ASC	18		M	The system shall provide a security set-up that will allow separation of duties using security groupings based upon roles/job responsibilities (User Access Groups).
ASC	19		M	The system shall allow user inputs validation before processing.
ASC	20		M	The system shall ensure that the application utilities and batch submissions do not contain or store unencrypted database account names, user IDs and passwords.
ASC	21		M	The system shall ensure that it does not store authentication credentials on end-user workstation(s) after the application session terminates.
ASC	22		M	The system shall generate notifications to administrators when logs approach capacity.
ASC	23		D	The Bidder should describe the data encryption/decryption mechanism available (if any) and how and where they are used.
ASC	24		D	The Bidder should describe the documented process for security incident handling of patches or fixes for known security or system vulnerabilities.
ASC	25		D	The Bidder should describe in detail the types of security reports and alerts available as part of the system baseline. If available provide sample reports.
ASC	26		D	The Bidder should describe in detail the administrative tools provided with the system to monitor the databases and application from a security perspective.

6.5 Other Technical Requirements

Areas	
APA	Application Architecture
DBS	Database
DOC	Documentation and Reference Material
IIE	Interfaces and Data Import/Export
NET	Network
PCF	Platform Configuration
R&Q	Reporting and Query Tools
S&S	Servers and Storage
SCO	System Configuration
SMT	System Management and Tools
SWU	Software Upgrades
UEV	User Environment

Area	Req No.	Req No.	Req Type	Technical Requirement
APA	1		M	The system shall support Microsoft Office 2002, 2007 and 2010.
APA	2		M	The system shall utilize best practices system configuration management including pre-defined migration processes for software releases, operating system upgrades, layered software upgrades, database modifications and hardware configuration.
APA	3		M	The system shall include all software, support, tools and utilities (e.g. compilers, text editors, library products, code generators, scripts) needed to perform configuration, installation, operation, administration and management tasks. If these are not included, the Contractor must provide them through his own third party agreements. A comprehensive list of third party vendors is also required. Third party vendors can be based only in of the 28 member Nations of the Organization.
APA	4		M	The Bidder shall identify any and all open source software that is offered as part of the system as well as the testing and support models and methodologies employed to ensure the quality and

Area	Req No.	Req No.	Req Type	Technical Requirement
				integrity of the open source software. Bidders must indicate any license conditions related to the open source software used.
APA	5		M	The system shall provide data and transaction logic validation through the use of centralized or distributed business rules.
APA	6		M	The system shall provide support for interprocess communication including, but not limited to, the following: attachment of standard object types, cut and paste capability from data fields and pages/screens to/from other applications (e.g. Microsoft Office).
APA	7		D	The system should provide an internal real time message routing capability for broadcasting information to all or selected groups of users. Please specify if MS-Active Directory Distribution List may be re-used.
APA	8		D	The system should be compliant with de facto open standards such as MAPI, SNMP, FTP etc.
APA	9		M	The Bidder shall provide an architectural description of the system including technical view, systems view and functional view. Please specify tool (e.g. MS-Visio, Architecture Tool) and methodology (e.g. UML) that will be used, at no additional cost.
IIE	10		M	The system shall allow the export and import of information to and from other external (NATO) systems and databases, in an industry standard such as XML, CSV, MS Excel, HTML.
IIE	11		D	The system should provide decision support capabilities such as the ability to select a subset or summary database from the production relational database, export information to a Microsoft Excel spreadsheet, manipulate the information using the same or similar tools and import changes back to the system for processing.
IIE	12		D	The Bidder should describe the tools provided with the system for the development of potential interfaces.
IIE	13		D	The Bidder should list the programming languages and query languages required for development of interfaces for the system.
IIE	14		D	The Bidder should describe the scheduling tools required for initiation of interfaces and whether they are included with the system.
IIE	15		D	The Bidder should describe any constraints upon the timing of automatically initiated interfaces (e.g. maximum duration of nightly cycle).
IIE	16		D	The Bidder should describe the standard interface formats used with the system.

Area	Req No.	Req No.	Req Type	Technical Requirement
IIE	17		D	The Bidder should describe the degree of flexibility available in the standard interface formats for the system.
SCO	18		D	The system should provide the ability for the system administrator and individual user to choose the language of the user interface between English and French. Please specify if Local Regional Setting is automatically detected.
SCO	19		M	The system shall provide the capability of modifying the layout and behaviour of windows, screens, pages, panels without modifying source code.
SCO	20		M	The system shall provide the ability to configure data entry/data retrieval windows, screens, pages, panels based on the security profile of each user.
SCO	21		M	The system shall provide the ability for authorized users to define (add/change/delete) fields, screens, reports, portlets, business rules, workflow rules.
SCO	22		D	The Bidder should describe the programming language(s) used for customizations of the system.
PFC	23		M	The Bidder shall describe in detail (including versions) the recommended platform, operating system, database system and architecture for the system provided it complies with the NATO technical environment described in section Technical Requirements.
PFC	24		D	The Bidder should describe in detail any known problems or conflicts that the system has/may have operating in the technical environment described in section Technical Requirement and their impact on system functionality.
PFC	25		D	The Bidder should detail what percentage of current clients have already implemented the system using a technical environment identical or very similar to that described in section Technical Requirement.
PFC	26		M	The Bidder shall detail any future plans it has to stop support for any of the underlying systems (e.g. operating system, database) that are currently part of the technical configuration described in section Technical Requirement. This disclosure must be executed by the winning bidder every year.
S&S	27		D	The Bidder should provide a proposed server configuration to address the number of transactions, users and volume of data expected to be processed by the system.
S&S	28		M	The Bidder shall identify the server resources required for the implementation of the system in terms of:

Area	Req No.	Req No.	Req Type	Technical Requirement
S&S	28	28.1	M	Server categories (e.g. application servers, database servers, web servers);
S&S	28	28.2	M	Server/environment landscape for 3 (three) application environments: development / testing, training / pre-production and production;
S&S	28	28.3	M	Number and type of servers per category and landscape/application environments;
S&S	28	28.4	M	Memory requirements, disk space, processors per server;
S&S	28	28.5	M	Server virtualization architecture and implementation (if any).
S&S	29		M	The Bidder shall provide estimated storage requirements based on the information provided in this International Call for Bid for the application and for the data. Storage requirements must be provided in annual timeframes with predicted storage needs for the first 2 (two) years of operations and for the first 5 (five) years of operations. Storage requirements must also be provided for off-line (e.g. tape backup) storage for the same timeframes.
DBS	30		M	The system shall provide standard query language capabilities for database queries.
DBS	31		M	The Bidder shall detail which databases are used and supported for the system including versions and minimal and recommended options. Please take in to account that NATO foster standardization based on MS-SQL and Oracle.
DBS	32		D	The Bidder should describe in detail (including versions) the database options and requirements for the system taking into consideration the technical environment described in section Technical Requirements.
DBS	33		M	The Bidder shall describe the tools provided with the system to assist in performing database administration, performance tuning, point-in-time recovery, and query analysis.
DBS	34		D	The Bidder should describe any database clustering architecture and implementation if any is supported for the system.
DBS	35		D	The Bidder should provide metrics and demonstration of transaction volume throughput and performance for the proposed database for the system.
DBS	36		D	The Bidder should provide detailed examples of your client base configurations across densities of user sets, concurrent use, transaction processing and data volumes comparable with the Organization.

Area	Req No.	Req No.	Req Type	Technical Requirement
NET	37		M	The Bidder shall provide a detailed architectural description (including diagrams) of the system and the requirements between components of the system.
NET	38		M	The Bidder shall provide detailed information about bandwidth and network requirements (e.g. speed, latency) for LAN/WAN configurations for optimal performance for the system. Please include use of Network Fail-Over (FO) and/or Load-Balance (LB).
NET	39		M	The Bidder shall describe the methodologies and tools used in the system for maintaining data integrity, including back-up execution (i.e. application and database levels, proposed back-up frequency, proposed type of back-up – full, incremental) and restoring from back-up data.
UEV	40		D	The system should deliver an end-user work environment that contains context sensitive help in either English or French depending on the language chosen for the end-user interface.
UEV	41		D	The Bidder should describe in detail the recommended and minimum end-user workstation hardware and software requirements for the system.
UEV	42		D	The Bidder should describe in detail any software that must be installed locally (if any) on end-user workstations as part of the system deployment.
UEV	43		D	The Bidder should describe what impact any changes in the end-user workstation configuration may have on the system functionality or user experience. Describe any known workstation configurations that will not work with the system.
UEV	44		M	The Bidder shall describe the integration mechanisms and points between the system and Document Management Systems like Hummingbird, Sharepoint, EMC ² Documentum and Autonomy®.
SMT	45		D	The Bidder should describe the tools and utilities supplied with the system used for system monitoring, performance management and tuning. If none are supplied with the proposed solution detail the recommended tools.
SMT	46		D	The Bidder should describe the system deployment process including tools for initial deployment and addition of new user(s) and functionality or system modules.
SMT	47		M	The Bidder shall detail, using graphically represented metrics, how many concurrent users can be supported without system performance degradation.
SMT	48		D	The Bidder should detail, using metrics, the performance of back-up and restoration process assuming an optimal configuration and

Area	Req No.	Req No.	Req Type	Technical Requirement
				<p>the technical environment described in section Technical Requirements.</p> <p>The Organisation is planning for a minimum of:</p> <ul style="list-style-type: none"> • Recovery Point Objective of 24 hours (back to the latest performed back-up); • Recovery Time Objective of 8 business hours.
SMT	49		M	The system shall provide the ability to support transaction logging.
SMT	50		D	The Bidder should describe how the production system environment can accomplish a minimum 99.5% up-time during business hours except in catastrophic circumstance given the technical infrastructure described in section Technical Requirements and operations in two redundant data centres.
SMT	51		D	The Bidder should describe the recovery process for the system and associated data after a catastrophic failure.
SMT	52		M	The Bidder shall provide the Antivirus file exclusion list of their proposed PPM system.
R&Q	53		D	The Bidder should describe the functionality and architecture of the proposed query and reporting tool(s) and environment including integration with the database.
R&Q	54		M	The Bidder shall describe the method(s) and tool(s) available for end-users to create and modify new and standard reports including but not limited to parameters, data retrieval across functional areas (e.g. budget planning and financial management), determining ratios, cumulative totals, trends.
R&Q	55		D	The Bidder should describe the automated reports execution and distribution mechanisms in the system including integration with workflow and file transfer, portal publishing, download and manipulation in other applications (e.g. Microsoft Excel).
SWU	56		M	The system shall provide clearly defined migration paths for future upgrades either at a module or system level.
SWU	57		D	The Bidder should provide a detailed description of the methodology, processes and support utilized for applying upgrades such as tracking changes to tables, user interfaces as well as user defined elements such as tables, application configuration values, business functions configuration values, interfaces, user interfaces, fields and stored procedures established to extend the system's capabilities.
SWU	58		D	The Bidder should provide information about what resources, planning, functional and technical skills are required to install a

Area	Req No.	Req No.	Req Type	Technical Requirement
				software upgrade or patch.
SWU	59		D	The Bidder should describe any regression testing requirements, recommendations or best practices needed for a successful implementation of a new release or patch.
SWU	60		D	The Bidder should detail the historical frequency in the last 3 (three) years and expected frequency of each type of new release and the frequency of patches on an annual basis.
SWU	61		D	The Bidder should detail the 5 (five) main topics that will have the most impact on the next planned release and the timeline for the next planned release.
SWU	62		D	The Bidder should detail the release strategy for each of the components of the system.
SWU	63		D	The Bidder should detail how long each type of new release is supported.
SWU	64		D	The Bidder should detail if all the modules/functionality are released in a single pack – even if they were not modified – during an upgrade or phased in over a determined period of time or if only modified modules/functionality are released.
SWU	65		D	The Bidder should detail the implementation process for a new release and if the components of a new release can be applied individually by module or only integrally without adversely affecting the functionality of the system.
SWU	66		D	The Bidder should detail if with a new release the configuration settings for the live release carry forward to the next release or must be reinstalled.
SWU	67		D	The Bidder should detail if with a new release the patches applied to the live release carry forward to the next release or must be reinstalled.
SWU	68		D	The Bidder should detail recommendations for customizing (if necessary) the system that would limit the impact on future upgrades/releases.
SWU	69		D	The Bidder should describe how the content of future releases and upgrades is determined and how is it communicated to the clients.
SWU	70		D	The Bidder should describe what mechanisms are available to clients to influence future product releases.
SWU	71		D	The Bidder should provide details about any user groups or any other user forums that are supported by the bidder including any specific groups or communities of practices that focus on public

Area	Req No.	Req No.	Req Type	Technical Requirement
				sector or international organizations. Provide the contact information of the current senior ranking official representing clients in the user group.
DOC	72		M	The Bidder shall provide 1 (one) printed copy and 1 (one) electronic copy of all documentation available (i.e. PDF, MS Word, MS Excel, MS Powerpoint are acceptable) - user manuals, technical manuals, release notes, etc. at the time of bid response submission.
DOC	73		M	The Bidder shall describe the policy for releasing updates to documentation including the timing of documentation release as related to software upgrade release.
DOC	74		M	The Bidder shall describe the policy for duplicating standard documentation such as user and technical manuals.
DOC	75		D	The Bidder should describe any on-line and off-line user communities supported by the Bidder. Examples include but are not limited to user forums, periodic publications, etc.

**APPENDIX 1. PPM SYSTEM REQUIREMENTS SPECIFICATIONS
– CONTEXT DOCUMENT**

Available as a separate document – requires Bidder's completion and signature of the NDA.

APPENDIX 2. PPM SYSTEM REQUIREMENTS SPECIFICATIONS
– Excel file

Available as a separate Excel file.

Instructions for Completing Appendix 2 to Annex E to Part IV of RFP 2012-08

This spreadsheet is part of the **NATO Office of Resources Request for Proposal 2012-08 for Project Portfolio Management System Acquisition, Implementation and Support Services**. Vendors must complete the **Functional Requirements, Compliance Requirements, Security Requirements and Other Technical Requirements** worksheets in this spreadsheet file.

'Functional Requirements' worksheet:

Columns A - D uniquely identify the individual requirements by Requirement Area, Number, Sub-Number and Type.

The textual description of each individual Requirement is in **column E**.

Column F refers to the 'PPM System Requirements Specifications - Context Document' in Appendix 1 to ANNEX E to the Statement of Work (Part IV to RFP). Any 'Gen' value in this column indicates a generic requirement, not directly related to a specific section of the Context Document. Requirements are sorted by 'Section Ref. Supporting Descriptions' column.

Vendors are required to complete **columns G - J** for each Requirement.

Start by clearing the example data in **columns G - J** on the first row of the worksheet.

Vendor Solution Category (**column G**) - for each requirement use the drop-down menu to select an option that best describes how your solution meets the Requirement.

The following options are available:

- **SC** - Standard functionality requiring only routine configuration to achieve compliance by Vendor's Technical staff prior to Go-live and by the End User or an Administrator post Go-live.
- **CC** - To achieve compliance some non-routine configuration will be required by Vendor's Technical Staff prior to Go-live.
- **DE** - Compliance can only be achieved by custom code development by Vendor's Technical Staff within the required Go-live timelines.
- **TP** - Third Party software required to be compliant.
- **NC** - Cannot meet requirement.

Module name (**Column H**) - For each Requirement identify by name the system module or component that will be used to meet the Requirement.

This could be one of the following:

- A Module by name.
- A Plug-in by name and by association with a core Module.
- A Third Party Product or Module by name and by association with a core Module.

Solution Description (**Column I**) - The Vendor must provide a textual description of how each individual Requirement will be met.

Where it is deemed necessary to provide additional information such as screenshot, graphic, table, etc a full reference (RFP response section, page) must be given in the response to RFP (**column J**).

Each explanation must be in sufficient to enable the NATO-IS personnel who will carry out the evaluation of the responses to RFP to understand the capabilities and constraints of the system.

'Compliance Requirements' worksheet:

Columns A - C uniquely identify the individual requirements by Requirement Area, Sub - Area and Number.

The textual description of each individual Requirement is in **column D**.

Vendors are required to complete **columns E - H** for each Requirement.

Start by clearing the example data in **columns E - H** on the first row of the worksheet.

Vendor Solution Category (**column E**) - for each requirement use the drop-down menu to select an option that best describes how your solution complies with the Requirement.

The following options are available:

- **CO** - Compliant.
- **NCO** - Non-Compliant.

Module name (**Column F**) - For each Requirement identify by name the system module or component that will be used to meet the Requirement.

This could be one of the following:

- A Module by name.
- A Plug-in by name and by association with a core Module.
- A Third Party Product or Module by name and by association with a core Module.

Solution Description (**Column G**) - The Vendor must provide a textual compliance description for each individual Requirement.

Where it is deemed necessary to provide additional information such as screenshot, graphic, table, etc a full reference (RFP response section, page) must be given in the response to RFP (**column H**).

Each explanation must be in sufficient to enable the NATO-IS personnel who will carry out the evaluation of the responses to RFP to understand the capabilities and constraints of the system.

'Security Requirements' and 'Other Technical Requirements' worksheets:

Columns A - D uniquely identify the individual requirements by Requirement Area, Number, Sub-Number and Type.

The textual description of each individual Requirement is in **column E**.

Vendors are required to complete **columns F - I** for each Requirement.

Start by clearing the example data in **columns F - I** on the first row of the worksheet.

Vendor Solution Category (**column F**) - for each requirement use the drop-down menu to select an option that best describes how your solution meets the Requirement.

- **SC** - Standard functionality requiring only routine configuration to achieve compliance by Vendor's Technical staff prior to Go-live and by the End User or an Administrator post Go-live.
- **CC** - To achieve compliance some non-routine configuration will be required by Vendor's Technical Staff prior to Go-live.
- **DE** - Compliance can only be achieved by custom code development by Vendor's Technical Staff within the required Go-live timelines.

- **TP** - Third Party software required to be compliant.
- **NC** - Cannot meet requirement.

Module name (**Column G**) - For each Requirement identify by name the system module or component that will be used to meet the Requirement.

This could be one of the following:

- A Module by name.
- A Plug-in by name and by association with a core Module.
- A Third Party Product or Module by name and by association with a core Module.

Solution Description (**Column H**) - The Vendor must provide a textual description of how each individual Requirement will be met.

Where it is deemed necessary to provide additional information such as screenshot, graphic, table, etc a full reference (RFP response section, page) must be given in the response to RFP (**column I**).

Each explanation must be in sufficient to enable the NATO-IS personnel who will carry out the evaluation of the responses to RFP to understand the capabilities and constraints of the system.

Saving the File:

When completed, save this spreadsheet in Excel 2003 format. In the file name place as the last characters the name of your company.

Note: Cell protection is enabled on Worksheets to ensure data integrity and consistency in data input.

A	B	C	D	E	F	G	H	I	J
Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
PRO	1	1.1	M	The system shall accommodate different types of programs (CPs) and projects, having different set of attributes.	2.2	SC	Project Module	The software can accommodate different types of projects based on tailored criteria.	Section X, page Y
PRO	1	1.2	M	The system shall accommodate different project lifecycles by project type (e.g. full project lifecycle for CPs and SAP vs. 'fast track' for Minor Works, Urgent Requirements and Prefinancing).	2.2				
POR	2		M	The system shall be able to create unapproved programs or projects in an early stage of their life-cycle, i.e. only identified and not yet defined in detail.	2.2				
PRO	3		M	The system shall accommodate multiple stages before and during project authorisation (i.e. advance planning funds, intermediate authorisation, final authorisation), project implementation (i.e. bidding, contracting, completion), project acceptance (i.e. technical acceptance, financial acceptance), project in-service and project deletion.	2.2				
PRO	4		M	The system shall provide the ability to create, save and reuse project templates. Templates should enable the standardisation and reuse of e.g.: - Major milestones; - Project structure : CP and Projects; - Portions of projects and partial authorisations; - Cost Shares.	2.2				
PRO	5		M	The system shall allow the creation of CPs or projects using predefined templates.	2.2				
PRO	6		M	The system shall provide the ability to uniquely identify each project regardless of its status.	2.2				

A	B	C	D	E	F	G	H	I	J
Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
PRO	7		M	The system shall record implementation information about the project: high level timelines and milestones (detailed scheduling of project activities not required).	2.2				
PRO	8		M	The system shall accommodate multi-year projects and associated project profiling data (i.e. expenditure forecast, implementation schedule etc.).	2.2				
PRO	9		M	The system shall be able to record per project a list of the products built through the project, i.e. name and short description of the products delivered through the project.	2.2				
PRO	10	10.1	M	The system shall provide the ability to identify the O&M tail of a project, during the NSIP life-cycle, in order to assess the impact of the future O&M costs on the future annual military budgets and while the capability is operational in order to assess the impact of the actual O&M costs on the current annual military budgets.	2.2.1				
FIN	10	10.2	M	The system shall provide the ability to handle and store periodic new versions of the cost estimates and expenditure profiles for the O&M tail, during the life-cycle of the NSIP Project and while the capability is operational.	2.2.1				

A	B	C	D	E	F	G	H	I	J
Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
PRO	11		M	<p>The system shall allow the recording of several partial authorisations (i.e. authorisations to execute part of the authorised scope) during project authorisation and implementation phases.</p> <p>It consists in:</p> <ul style="list-style-type: none"> - identifying a portion of a project; - recording the related information i.e. estimation to complete, manpower and milestone, authorised amount to perform this portion. 	2.3.1 & 2.3.2 & 2.3.3				
PRO	12	12.1	M	<p>The system shall be able to record several versions of the project and program information, i.e. costs, expenditure profiles and milestones at project and program level. I.e. different versions can correspond to the different stages of the project life-cycle, or can correspond to several updates provided by Host Nations.</p>	2.3.1 & 2.3.2 & 2.3.3				
PRO	12	12.2	M	<p>The system shall provide on-line and off-line reporting functionalities, in order to compare the different versions of the project and program information.</p>	2.3.1 & 2.3.2 & 2.3.3				
FIN	13	13.1	M	<p>The system shall allow recording of the financial information (Cost estimates and expenditure profile) related to several partial authorisations during project pre-authorisation and authorisation phases.</p>	2.3.3 & 2.6				

A	B	C	D	E	F	G	H	I	J
Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
FIN	13	13.2	M	The system shall allow the recording of the financial information (Cost estimates and expenditure profile) related to several partial authorisations (i.e. authorisations to execute part of the authorised physical scope) during the project implementation phase.	2.3.4 & 2.6				
PRO	14		M	The system shall allow recording of detailed Contract related information.	2.3.4				
PRO	15		M	The system shall allow Host Nation / IS-NOR to enter the proposed updates of the implementation milestones and expenditure actuals and forecast.	2.3.4				
PRO	16	16.1	M	The system shall be able to record multiple partial technical acceptances for a project.	2.3.5				
PRO	16	16.2	M	The system shall be able to record a list indicating which products of the project have been accepted, and when.	2.3.5				
FIN	17		M	The system shall be able to record adjustments (under spending or overspending) resulting from the financial acceptance process.	2.3.6				
PRO	18		M	The system shall be able to record the fact that a project is 'deleted', (including date and reason), without actually deleting the project record and associated data.	2.3.8				
REP	19	19.1	M	The system shall provide analysis and performance measurement at portfolio, program and project level.	2.4 & 3.4				
REP	19	19.2	M	The system shall provide analysis and performance measurement at portfolio, program and project level, using Key Performance Indicators (KPI's).	2.4 & 3.4				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
REP	19	19.3	M	For each of the NSIP and MB KPIs described in the PPM System Requirements Specifications - Context document, the Bidder shall indicate the ones which are standard in your COTS software, the ones that can be configured using the configuration features of the COTS software and the ones needing development/customisation. The Statement of Work specifies the number of KPIs to be implemented.	2.4 & 3.4				
REP	20	20.1	M	The system shall provide report capabilities at portfolio, program and project level.	2.4 & 3.4				
REP	20	20.2	M	For each of the NSIP, MB and Manpower reports described in the PPM System Requirements Specifications - Context document, the Bidder shall indicate the ones which are standard in your COTS software, the ones that can be configured using the configuration features of the COTS software and the ones needing development/customisation. The Statement of Work specifies the number of reports to be implemented.	2.4 & 3.4				
REP	21		M	The system shall provide the ability for users to view project milestones in a timeline format.	2.4				
IntPro	22	22.1	M	The system shall be able to collect information either using input forms/screens, or by upload of data files.	2.5				
IntPro	22	22.2	M	The system shall allow the entry of bulk project information or information via file uploads (e.g. XML, CSV, MS Excel files, HTML).	2.5				
IntPro	22	22.3	M	The system shall allow the entry of bulk budget information or information via file uploads (e.g. XML, CSV, MS Excel files,	2.5				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
				HTML).					
IntPro	23		M	The system shall have the ability to store different set of values of the same set of information: <ul style="list-style-type: none"> • the information submitted for screening; • the information after screening; • and the information approved. 	2.5				
IntPro	24		M	The system shall provide a validation functionality when uploading data file: an intermediate validation of the uploaded data must be performed before applying the changes in the production environment.	2.5				
IntPro	25		M	The system shall allow to record and report on requests of different kind: e.g. requests for call for contribution, CP submission, authorisation, etc.	2.5				
IntPro	26		M	The system shall provide the ability to associate an object of the PPM system with a document stored in the Document Management System (DMS) of NATO.	2.5.2				
FIN NSIP	27		M	The system shall reject (as defined by business rules) the entry of project expenditure actuals that are in excess of authorised amounts.	2.6				
FIN NSIP	28		M	The system shall record the contract notification (e.g. contract reference, amount, date) and contract changes (e.g. amount, date, explanation) by project.	2.6				
FIN NSIP	29		M	The system shall record financial information about investment projects: total cost estimates, expenditure profile (cost estimates per year) and actual expenditures.	2.6				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
FIN NSIP	30		M	The system shall provide rollup capabilities of the financial information according to several rollup dimensions such as but not limited to the lifecycle of the project or consolidation criteria like Requirement Areas, Military Priorities, Host Nations, Cost Shares and Capabilities Packages.	2.6				
FIN NSIP	31		M	The system shall provide reporting by projects including all financial events impacting that project (e.g., initial total cost, revised total cost, expenditure forecast, actual expenditure, authorisations, changes by finance staff, other events defined by business rules).	2.6				
FIN NSIP	32		M	The system shall report financial information for each portfolio, programme and project, according to different consolidation rules. E.g. the sub-totals depicting the level of commitment (i.e. the solidity) of the expenditure profile of the project.	2.6.1				
FIN NSIP	33	33.1	M	The system shall automatically calculate at project level the carry forwards (delta between forecast and actuals) from prior reporting period, as defined by business rules.	2.6.2				
FIN NSIP	33	33.2	M	The system shall be able to calculate the total of the project carry forwards at program level, as defined by business rules.	2.6.2				
FIN NSIP	33	33.3	M	The system shall be able to calculate the total of the program carry forwards at portfolio level, as defined by business rules.	2.6.2				
FIN NSIP	34		M	The system shall manage several cost shares.	2.6.3				
FIN NSIP	35		M	The system shall allow associating one or multiple cost shares to a project simultaneously with one or multiple Host Nation.	2.6.3				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
FIN NSIP	36		M	The system shall generate at any point in time an overview of actual vs. forecasted vs. ceiling expenditure at portfolio level for current year and future years (at least 5 years).	2.6.3				
FIN NSIP	37	37.1	M	The system shall provide the multilateral financial compensation mechanisms between the Nations (28) contributing with different cost shares by project and Host Nations (32), receiving the funds in order to execute the projects, according to the authorisations.	2.6.4				
FIN NSIP	37	37.2	M	The system shall provide the ability to track historical contributions paid and received by Host Nations and by Cost Share.	2.6.4				
FIN NSIP	38		M	The system shall provide the ability to track the funds paid/or forecasted to be paid by the contributing nation to the relevant CP or project.	2.6.4				
FIN	39	39.1	M	The system shall provide multi-currency and exchange rates capabilities.	2.6.6 & 3.3				
FIN	39	39.2	M	The system shall provide two independent currency/exchange rates capabilities, one for NSIP and one for MB respectively, with different update frequencies.	2.6.6 & 3.3				
FIN MB	40		M	The system shall provide budget management capabilities at portfolio level (budget ceiling, approved budget, tracking budget execution in terms of budget vs. actuals etc.) for Military Budgets.	3				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
FIN MB	41		M	The system shall enable to create and maintain the link between the O&M Operation & Maintenance costs (MB) and the investment projects (NSIP) they relate to, during the Product/Project 'In Service' stage.	3.1				
FIN MB	42	42.1	M	The system shall provide the ability to create, save and reuse budget templates. Budget templates shall enable the standardisation and reuse of budgets and related structure.	3.2				
FIN MB	42	42.2	M	The system shall allow the creation of budgets using predefined templates.	3.2				
FIN MB	43	43.1	M	The system shall accommodate the following budget structure: <ul style="list-style-type: none"> • NATO Military Authority (e.g. ACO); • => decomposed into multiple NATO Military Authority subordinate structures (e.g. SHAPE) or budget codes; • => decomposed into multiple Chapters; • => decomposed into multiple CISI (sub chapters). 	3.2				
FIN MB	43	43.2	M	The system shall provide the ability to create/change/move the budget codes and budget structure at any time of the year.	3.2				
FIN MB	43	43.3	M	The system shall accommodate any other budget structures than the one described above.	3.2				
FIN MB	44		M	The system shall provide roll up and reporting functionality across the budget structure: NMA =>budget codes=>chapters=> CISI.	3.2				
FIN MB	45	45.1	M	The system shall track and keep multiple versions of budget amounts (e.g. amount submitted, amount approved originally, amounts approved after 1st execution). The different versions of the figures need to be kept and not overwritten.	3.2				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
FIN MB	45	45.2	M	The system shall allow reporting across the budget versions or frozen versions (i.e. create a report with requirement, initial approved budget, budget after 1st execution, etc.)	3.2				
FIN MB	46		M	The system shall track and breakdown frozen credit amounts at any level of the budget structure.	3.2				
FIN MB	47		M	The system shall track and breakdown contract authority amounts at any level of the budget structure.	3.2				
FIN MB	48		M	The system shall track carry forwards amounts - i.e. difference between authorised expenditure and the sum of actual expenditure and remaining commitments at year end - at any level of the budget structure.	3.2				
FIN MB	49		M	The system shall track lapsed amounts - i.e. uncommitted amounts at budget year end - at any level of the budget structure.	3.2				
FIN MB	50		M	The system shall provide ability to recalculate budgets multiple times during fiscal year using different exchange rates and currencies.	3.2				
FIN MB	51		M	The system shall be able to link budgets or part of budgets (percentages of budgets) to requirement areas for consolidation, reporting and simulations purposes.	3.2				
FIN MB	52		M	The system shall be able to link budgets to cost shares for consolidation, reporting and simulations purposes.	3.2				
FIN MB	53		M	The system shall allow the possibility to track additional information (e.g. transferred amounts between budgets, committed amounts, expended amounts, etc.) at any level of the budget structure; keeping the different versions of the provided information.	3.2				
FIN MB	54		M	The system shall provide the possibility to group budgets in portfolios for consolidation, reporting and simulation purposes.	3.4				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
MAN	55		M	The system shall be able to receive, record and report multiple categories of manpower (i.e. civilians, militaries, consultants and Local Wage Rate).	4				
MAN	56		M	The system shall be able to receive, record and report high-level manpower data : e.g. FTE's • per manpower category; • per requirement area; • per year; • per budget codes.	4				
MAN	57		M	The system shall be able to receive, analyse, record and report manpower data for the O&M Tail of an NSIP project, during the project life-cycle: e.g. FTE's for the O&M tail of a project • per manpower category; • per requirement area; • per budget code; • per year.	4				
MAN	58		M	The system shall be able to receive, record and report manpower data per budget of the MB: e.g. FTE's • per manpower category; • per requirement area; • per budget code.	4				
MAN	59		M	The system shall be able to define multiple consolidation fields such as 'Requirements Areas', 'Military Priorities', allowing multiple consolidations and analysis of the information (i.e. financial information, manpower).	Gen				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
POR	60		M	The system shall have the possibility to group projects, programs in portfolios for consolidation and reporting.	Gen				
POR	61	61.1	M	The system shall have 'What if' scenario analysis capabilities at portfolio level. E.g. to analyse the impact of global delay on a selection of projects; impact of projects / programs over/under spending at portfolio level.	Gen & 2.3.1				
POR	61	61.2	M	The system shall allow populating scenarios by selection of groups of projects from a top-down perspective.	Gen & 2.3.1				
POR	62		M	The system shall aggregate projects information according to tailored criteria into programs, which can then be aggregated at portfolio level.	Gen				
POR	63		M	The system shall provide the ability for users to drill down, at any level of granularity (e.g. from portfolio to programs and projects, on FTEs, on MB).	Gen				
IntPro	64	64.1	M	The system shall have built-in workflow capability (no automated notifications required).	Gen				
IntPro	64	64.2	M	The system shall provide the ability to modify built-in workflow. This modification must be done by a user having administrator rights, using configuration capabilities.	Gen				
GEN	65	65.1	M	The system shall be able to prevent the update of fields depending on project stage, user profiles and more generally, as defined by business rules.	Gen				
PRO	65	65.2	M	The system shall only allow updates of authorised amounts on projects by specific users.	Gen & 2.3				

A	B	C	D	E	F	G	H	I	J
Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
FIN MB	65	65.3	M	The system shall only allow updates of amounts on authorised versions of the budgets by specific users.	Gen & 3.2				
REP	66		M	The system shall have performance measurement capabilities; i.e. Key Performance Measurement to be defined, targets allocated to them, and performance measured against targets.	Gen				
REP	67	67.1	M	The system shall be able to roll up and report projects by Key Performance Indicator.	Gen				
REP	67	67.2	M	The system shall be able to roll up and report programs by Key Performance Indicator.	Gen				
REP	68	68.1	M	The system shall have reporting capabilities at portfolio level (e.g. dashboards, actual vs. budget, slippage, cost increases / decreases etc).	Gen				
REP	68	68.2	M	The system shall have reporting capabilities at program level (e.g. dashboards, actual vs. budget, slippage, cost increases / decreases etc).	Gen				
REP	68	68.3	M	The system shall have reporting capabilities at project level (e.g. dashboards, actual vs. budget, exception reporting on projects missed milestones, slippage, cost increases / decreases etc).	Gen				
REP	69	69.1	M	The system shall provide the ability to display projects (e.g. on a "bubble chart" for visual analysis), with the dimensions (x and y axes) easily configurable by the user based to reflect any project attribute (for example, by risk score, cost, performance etc).	Gen				
REP	69	69.2	M	The system shall provide the ability for end-users to easily create or modify graphical charts.	Gen				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
REP	70		M	The system shall provide the ability to easily export report results in any format desired by the user, including HTML, PDF, RTF, MS Word, MS Excel, and MS PowerPoint. The Bidder shall specify the output reporting capabilities of the proposed system.	Gen				
REP	71		M	The system shall provide the ability for end-users to easily create standard reports via a report design wizard.	Gen				
REP	72		M	The system shall provide the ability of end-users to schedule reports to run in the future, either regularly recurring or one-time.	Gen				
GEN	73	73.1	M	The system shall provide the possibility to freeze a picture of the situation of CPs, Projects and Budgets at a certain point in time corresponding to major events of the CPs, Projects and Budgets. E.g. • Freezing the project data when the Project receives the status 'Programmed'; • Freezing the budget data when the Budget is 'Authorised'.	Gen				
GEN	73	73.2	M	The system shall provide the possibility to freeze a picture of the situation of CPs, Projects and Budgets at a certain point in time corresponding to cut-off dates. E.g. • freezing the situation at the end of each Quarter.	Gen				
GEN	73	73.3	M	The system shall provide by default on-line access to the latest information.	Gen				

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Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
GEN	73	73.4	M	The system shall provide on-line access to one of the previous frozen situation, on request by the user. The user shall be able to specify which frozen session he/she wants to display.	Gen				
REP	74		M	The system shall provide the ability of end-users to generate reports with reference dates in the past, using historic data.	Gen				
AUD	75	75.1	M	The system shall record user ID and date stamp every time a record is created / changed / deleted in the system.	Gen				
AUD	75	75.2	M	The system shall maintain history of all transactions entered and of all data.	Gen				
AUD	76		M	The system shall provide audit trail capabilities at database level (e.g. date stamp when project changes status / moves to next phase, previous expenditure profile data / implementation milestones).	Gen				
GEN	77		M	The system shall provide capabilities to facilitate repetitive actions, such as creating projects, creating users, creating budgets, creating portfolios, etc.	Gen				

A	B	C	D	E	F	G	H	I	J
Area	Req No.	Req Sub-No.	Req Type	Functional Requirement	Section Ref. Supporting Descriptions	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
PRO	78		D	<p>The system should provide Bottom-up and Top-Down mechanisms to perform actions such as closing or changing the status.</p> <p>E.g.:</p> <ul style="list-style-type: none"> • - Bottom-up: The technical acceptance of the products of a project is done product by product. When all products have been accepted, the project can receive the status 'Technically accepted'; • - Top-Down: The technical acceptance is recorded at the level of the project and all products are then automatically receiving the status 'Technically accepted' (Cascade). 	Gen				
GEN	79		M	The system shall provide configuration capabilities in order to easily create or modify Business rules, such as 'Imposing a limit for an amount' or 'Imposing that 'Actuals expenditure' cannot be greater than the authorised expenditure estimate'.	Gen				
PRO	80		M	The system shall provide the ability to modify the structure CP/Projects, in order to follow the changes occurring to the CP or to the Project during its authorisation and implementation.	Gen & 2.3				
REP	81		M	The system shall allow the viewing and extracting of all data and the reporting on all fields.	Gen				
GEN	82		M	The system shall allow for gating to be exercised by the NOR (i.e. entries do not affect the database until approved/authorized by a central NOR user).	Gen				

Functional Areas	
AUD	Audit
FIN	Financial Management (generic for NSIP & MB)
FIN MB	Financial Management specific to MB
FIN NSIP	Financial Management specific to NSIP
GEN	Generic requirement, applicable to all Functional areas
IntPro	Internal Processes
MAN	Manpower
POR	Portfolio Management
PRO	Program/Project Monitoring
REP	Reporting

Requirement Type	
D	Desirable Requirement
M	Mandatory Requirement

Vendor Solution Category	
SC	Standard functionality, only routine configuration required by the End User or System Administrator.
CC	Some non-routine configuration required by Technical Staff prior to installation.
DE	Compliance can only be achieved by custom code development by the Bidder's Technical Staff.
TP	Third Party software required.
NC	Cannot meet requirement.

A	B	C	D	E	F	G	H
Area	Sub - Area	Req No.	Compliance Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
CR	TQC	1	The system shall be an integrated solution from a single vendor or Consortium (including integration of any 3rd party tools provided with the system).	CO	Project Module	The system is fully integrated and does not require any 3rd party tools.	Section X, page Y
CR	TQC	2	The vendor(s) can only be registered in any of the 28 member Nations of the Organization.				
CR	TQC	3	The system shall be Web based, support standard web technologies and provide the capability to securely access and update information via Intranet only. The system shall support air-gap between Bidder's and Organisation's environments for patches, updates, upgrades / releases.				
CR	TQC	4	The system shall comply with the existing technical environment (hardware and software) described in Section Technical Requirement/ NATO Context.				
CR	TQC	5	The system shall operate with a Microsoft Server operating system. No other operating systems will be accepted. See also the Technical context , section 6.1.				
CR	TQC	6	The system shall operate with either Microsoft SQL Server or Oracle databases. No other databases will be accepted. See also the Technical context , section 6.1.				
CR	TQC	7	The system shall operate, if asked by the Organisation, in a VMWare based server virtualization environment. Bidder is required to identify components that cannot use a virtualized environment or that the Bidder recommends not using a virtualized environment.				

A	B	C	D	E	F	G	H
Area	Sub - Area	Req No.	Compliance Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
CR	TQC	8	<p>The system shall have been successfully implemented in at least 5 (five) organisations. At least 3 (three) of these projects must have been:</p> <ul style="list-style-type: none"> - similar in size, scope, and complexity to the NOR System Evolution project; - implemented at public sector or international organisations based in any of the 28 NATO member Nations; - implemented in the last 5 (five) years; - provided as verifiable reference to NATO. <p>Ideally, the successful installations should have security requirements similar to the Organization's.</p>				
CR	TQC	9	The system shall be supported for a minimum of 10 (ten) years after the Initial Go-live.				

	Compliance Areas
CR	Compliance Requirement

	Sub Areas
TQC	Technical Qualification Criteria

	Vendor Solution Category
CO	Compliant.
NCO	Non-Compliant.

A	B	C	D	E	F	G	H	I
Area	Req No.	Req Sub-No.	Req Type	Security Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
ASC	1		M	The system shall support unique user IDs, Microsoft Active Directory single sign-on, role and group based access control and remote access in line with the infrastructure core services provided by NATO. Bidders shall describe other authentication mechanisms (i.e. own application authentication).	SC	Security Module	The system complies with unique user IDs, AD single sign-on and group based access control.	Section X, page Y
ASC	2		M	The system shall support https latest version with backward compatibility.				
ASC	3		M	The system shall support the following levels of security: module level, functional level, row level and field level.				
ASC	4		M	The system shall provide system logs, access logs, administrative actions logs, intrusion/misuse detection and reporting, auditing, reporting and the following levels of authorization: agency, division, department, section or group, role, person, form, screen, page or window, file or database, and field or column.				
ASC	5		M	The system shall support password management to meet the following NATO HQ IS standards:				
ASC	5	5.1	M	Password length is a minimum 9 characters;				
ASC	5	5.2	M	Case sensitive using Windows standards for complexity;				
ASC	5	5.3	M	Password aging a maximum of 180 days;				
ASC	5	5.4	M	Password reuse minimum tracking of the last 24 passwords;				
ASC	5	5.5	M	Password lock-out after 3 failed attempts to gain access;				
ASC	5	5.6	M	Password value will not be displayed in clear text when entered;				
ASC	5	5.7	M	Password value cannot contain or be similar to the user name;				
ASC	5	5.8	M	New password and old password cannot have more than 5 characters in common;				
ASC	5	5.9	M	Password shall contain at least 3 (three) of the 4 (four) following types of characters:				
ASC	5	5.1	M	Upper case letter;				
ASC	5	5.11	M	Lower case letter;				
ASC	5	5.12	M	Number;				

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Area	Req No.	Req Sub-No.	Req Type	Security Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
ASC	5	5.13	M	Special character (e.g. \$ % @);				
ASC	5	5.14	M	Numbers cannot be at the beginning or end of the password;				
ASC	5	5.15	M	Special characters cannot be at the beginning or end of the password;				
ASC	5	5.16	M	Authorized password reset by system and security administrators;				
ASC	5	5.17	M	Encryption is supported on all passwords;				
ASC	5	5.18	M	Disable accounts after a pre-defined timeframe of inactivity.				
ASC	6		M	The system shall support controlling access by logging or highlighting changes with explanatory notes of changes, read/read-write/no access at user, user group, section, division and agency level.				
ASC	7		M	The system shall allow the application administrator to specify what types of activities require supervisory control and override.				
ASC	8		M	The system shall support security profiles which can restrict or allow access by staff member level, by module, by field, by staff group, by standard report, by ad-hoc report.				
ASC	9		M	The system shall provide an easily maintainable level of individual access per user configured and maintained by the application administrator.				
ASC	10		M	The system shall provide audit trail records to show changes (e.g. add/create/change/delete) by user and date/time to any record in the system. Audit trailing must have the capability to be turned on/off.				
ASC	11		M	The system shall support generating reports of individual user rights by user, section, division, nation and agency.				
ASC	12		M	The system shall support the reporting of qualified and unqualified user attempts to log into the system with workstation, user and date/time.				
ASC	13		M	The system shall provide the ability for users to maintain their passwords on-line in accordance to the policies defined previously.				
ASC	14		M	The system shall support automatic user log off if workstation is inactive (no keying) or there is no user interaction with the system for a set period of time.				
ASC	15		M	The system shall support optionally restricting query answers based on security settings of the user executing the query.				

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Area	Req No.	Req Sub-No.	Req Type	Security Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
ASC	16		D	The system should support the setting of the default security settings for a new user at the most restrictive level.				
ASC	17		M	The system shall provide the ability to grant emergency and temporary access to system components or resources for problem resolution and record any such actions in the security logs.				
ASC	18		M	The system shall provide a security set-up that will allow separation of duties using security groupings based upon roles/job responsibilities (User Access Groups).				
ASC	19		M	The system shall allow user inputs validation before processing.				
ASC	20		M	The system shall ensure that the application utilities and batch submissions do not contain or store unencrypted database account names, user IDs and passwords.				
ASC	21		M	The system shall ensure that it does not store authentication credentials on end-user workstation(s) after the application session terminates.				
ASC	22		M	The system shall generate notifications to administrators when logs approach capacity.				
ASC	23		D	The Bidder should describe the data encryption/decryption mechanism available (if any) and how and where they are used.				
ASC	24		D	The Bidder should describe the documented process for security incident handling of patches or fixes for known security or system vulnerabilities.				
ASC	25		D	The Bidder should describe in detail the types of security reports and alerts available as part of the system baseline. If available provide sample reports.				
ASC	26		D	The Bidder should describe in detail the administrative tools provided with the system to monitor the databases and application from a security perspective.				

Security Areas	
ASC	Application Security

Requirement Type	
D	Desirable Requirement
M	Mandatory Requirement

Vendor Solution Category	
SC	Standard functionality, only routine configuration required by the End User or System Administrator.
CC	Some non-routine configuration required by Technical Staff prior to installation.
DE	Compliance can only be achieved by custom code development by the Bidder's Technical Staff.
TP	Third Party software required.
NC	Cannot meet requirement.

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
APA	1		M	The system shall support Microsoft Office 2002, 2007 and 2010.	SC	All modules	The system supports MS Office 2002, 2007 and 2010.	Section X, page Y
APA	2		M	The system shall utilize best practices system configuration management including pre-defined migration processes for software releases, operating system upgrades, layered software upgrades, database modifications and hardware configuration.				
APA	3		M	The system shall include all software, support, tools and utilities (e.g. compilers, text editors, library products, code generators, scripts) needed to perform configuration, installation, operation, administration and management tasks. If these are not included, the Contractor must provide them through his own third party agreements. A comprehensive list of third party vendors is also required. Third party vendors can be based only in of the 28 member Nations of the Organization.				
APA	4		M	The Bidder shall identify any and all open source software that is offered as part of the system as well as the testing and support models and methodologies employed to ensure the quality and integrity of the open source software. Bidders must indicate any license conditions related to the open source software used.				
APA	5		M	The system shall provide data and transaction logic validation through the use of centralized or distributed business rules.				
APA	6		M	The system shall provide support for interprocess communication including, but not limited to, the following: attachment of standard object types, cut and paste capability from data fields and pages/screens to/from other applications (e.g. Microsoft Office).				
APA	7		D	The system should provide an internal real time message routing capability for broadcasting information to all or selected groups of users. Please specify if MS-Active Directory Distribution List may be re-used.				
APA	8		D	The system should be compliant with de facto open standards such as MAPI, SNMP, FTP etc.				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
APA	9		M	The Bidder shall provide an architectural description of the system including technical view, systems view and functional view. Please specify tool (e.g. MS-Visio, Architecture Tool) and methodology (e.g. UML) that will be used, at no additional cost.				
IIE	10		M	The system shall allow the export and import of information to and from other external (NATO) systems and databases, in an industry standard such as XML, CSV, MS Excel, HTML.				
IIE	11		D	The system should provide decision support capabilities such as the ability to select a subset or summary database from the production relational database, export information to a Microsoft Excel spreadsheet, manipulate the information using the same or similar tools and import changes back to the system for processing.				
IIE	12		D	The Bidder should describe the tools provided with the system for the development of potential interfaces.				
IIE	13		D	The Bidder should list the programming languages and query languages required for development of interfaces for the system.				
IIE	14		D	The Bidder should describe the scheduling tools required for initiation of interfaces and whether they are included with the system.				
IIE	15		D	The Bidder should describe any constraints upon the timing of automatically initiated interfaces (e.g. maximum duration of nightly cycle).				
IIE	16		D	The Bidder should describe the standard interface formats used with the system.				
IIE	17		D	The Bidder should describe the degree of flexibility available in the standard interface formats for the system.				
SCO	18		D	The system should provide the ability for the system administrator and individual user to choose the language of the user interface between English and French. Please specify if Local Regional Setting is automatically detected.				
SCO	19		M	The system shall provide the capability of modifying the layout and behaviour of windows, screens, pages, panels without modifying source code.				
SCO	20		M	The system shall provide the ability to configure data entry/data retrieval windows, screens, pages, panels based on the security profile of each user.				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
SCO	21		M	The system shall provide the ability for authorized users to define (add/change/delete) fields, screens, reports, portlets, business rules, workflow rules.				
SCO	22		D	The Bidder should describe the programming language(s) used for customizations of the system.				
PFC	23		M	The Bidder shall describe in detail (including versions) the recommended platform, operating system, database system and architecture for the system provided it complies with the NATO technical environment described in section Technical Requirements.				
PFC	24		D	The Bidder should describe in detail any known problems or conflicts that the system has/may have operating in the technical environment described in section Technical Requirement and their impact on system functionality.				
PFC	25		D	The Bidder should detail what percentage of current clients have already implemented the system using a technical environment identical or very similar to that described in section Technical Requirement.				
PFC	26		M	The Bidder shall detail any future plans it has to stop support for any of the underlying systems (e.g. operating system, database) that are currently part of the technical configuration described in section Technical Requirement. This disclosure must be executed by the winning bidder every year.				
S&S	27		D	The Bidder should provide a proposed server configuration to address the number of transactions, users and volume of data expected to be processed by the system.				
S&S	28		M	The Bidder shall identify the server resources required for the implementation of the system in terms of:				
S&S	28	28.1	M	Server categories (e.g. application servers, database servers, web servers);				
S&S	28	28.2	M	Server/environment landscape for 3 (three) application environments: development / testing, training / pre-production and production;				
S&S	28	28.3	M	Number and type of servers per category and landscape/application environments;				
S&S	28	28.4	M	Memory requirements, disk space, processors per server;				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
S&S	28	28.5	M	Server virtualization architecture and implementation (if any).				
S&S	29		M	The Bidder shall provide estimated storage requirements based on the information provided in this International Call for Bid for the application and for the data. Storage requirements must be provided in annual timeframes with predicted storage needs for the first 2 (two) years of operations and for the first 5 (five) years of operations. Storage requirements must also be provided for off-line (e.g. tape backup) storage for the same timeframes.				
DBS	30		M	The system shall provide standard query language capabilities for database queries.				
DBS	31		M	The Bidder shall detail which databases are used and supported for the system including versions and minimal and recommended options. Please take in to account that NATO foster standardization based on MS-SQL and Oracle.				
DBS	32		D	The Bidder should describe in detail (including versions) the database options and requirements for the system taking into consideration the technical environment described in section Technical Requirements.				
DBS	33		M	The Bidder shall describe the tools provided with the system to assist in performing database administration, performance tuning, point-in-time recovery, and query analysis.				
DBS	34		D	The Bidder should describe any database clustering architecture and implementation if any is supported for the system.				
DBS	35		D	The Bidder should provide metrics and demonstration of transaction volume throughput and performance for the proposed database for the system.				
DBS	36		D	The Bidder should provide detailed examples of your client base configurations across densities of user sets, concurrent use, transaction processing and data volumes comparable with the Organization.				
NET	37		M	The Bidder shall provide a detailed architectural description (including diagrams) of the system and the requirements between components of the system.				
NET	38		M	The Bidder shall provide detailed information about bandwidth and network requirements (e.g. speed, latency) for LAN/WAN configurations for optimal performance for the system. Please include use of Network Fail-Over (FO)				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
				and/or Load-Balance (LB).				
NET	39		M	The Bidder shall describe the methodologies and tools used in the system for maintaining data integrity, including back-up execution (i.e. application and database levels, proposed back-up frequency, proposed type of back-up – full, incremental) and restoring from back-up data.				
UEV	40		D	The system should deliver an end-user work environment that contains context sensitive help in either English or French depending on the language chosen for the end-user interface.				
UEV	41		D	The Bidder should describe in detail the recommended and minimum end-user workstation hardware and software requirements for the system.				
UEV	42		D	The Bidder should describe in detail any software that must be installed locally (if any) on end-user workstations as part of the system deployment.				
UEV	43		D	The Bidder should describe what impact any changes in the end-user workstation configuration may have on the system functionality or user experience. Describe any known workstation configurations that will not work with the system.				
UEV	44		M	The Bidder shall describe the integration mechanisms and points between the system and Document Management Systems like Hummingbird, Sharepoint, EMC2 Documentum and Autonomy®.				
SMT	45		D	The Bidder should describe the tools and utilities supplied with the system used for system monitoring, performance management and tuning. If none are supplied with the proposed solution detail the recommended tools.				
SMT	46		D	The Bidder should describe the system deployment process including tools for initial deployment and addition of new user(s) and functionality or system modules.				
SMT	47		M	The Bidder shall detail, using graphically represented metrics, how many concurrent users can be supported without system performance degradation.				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
SMT	48		D	<p>The Bidder should detail, using metrics, the performance of back-up and restoration process assuming an optimal configuration and the technical environment described in section Technical Requirements.</p> <p>The Organisation is planning for a minimum of:</p> <ul style="list-style-type: none"> • Recovery Point Objective of 24 hours (back to the latest performed back-up); • Recovery Time Objective of 8 business hours. 				
SMT	49		M	The system shall provide the ability to support transaction logging.				
SMT	50		D	The Bidder should describe how the production system environment can accomplish a minimum 99.5% up-time during business hours except in catastrophic circumstance given the technical infrastructure described in section Technical Requirements and operations in two redundant data centres.				
SMT	51		D	The Bidder should describe the recovery process for the system and associated data after a catastrophic failure.				
SMT	52		M	The Bidder shall provide the Antivirus file exclusion list of their proposed PPM system.				
R&Q	53		D	The Bidder should describe the functionality and architecture of the proposed query and reporting tool(s) and environment including integration with the database.				
R&Q	54		M	The Bidder shall describe the method(s) and tool(s) available for end-users to create and modify new and standard reports including but not limited to parameters, data retrieval across functional areas (e.g. budget planning and financial management), determining ratios, cumulative totals, trends.				
R&Q	55		D	The Bidder should describe the automated reports execution and distribution mechanisms in the system including integration with workflow and file transfer, portal publishing, download and manipulation in other applications (e.g. Microsoft Excel).				
SWU	56		M	The system shall provide clearly defined migration paths for future upgrades either at a module or system level.				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
SWU	57		D	The Bidder should provide a detailed description of the methodology, processes and support utilized for applying upgrades such as tracking changes to tables, user interfaces as well as user defined elements such as tables, application configuration values, business functions configuration values, interfaces, user interfaces, fields and stored procedures established to extend the system's capabilities.				
SWU	58		D	The Bidder should provide information about what resources, planning, functional and technical skills are required to install a software upgrade or patch.				
SWU	59		D	The Bidder should describe any regression testing requirements, recommendations or best practices needed for a successful implementation of a new release or patch.				
SWU	60		D	The Bidder should detail the historical frequency in the last 3 (three) years and expected frequency of each type of new release and the frequency of patches on an annual basis.				
SWU	61		D	The Bidder should detail the 5 (five) main topics that will have the most impact on the next planned release and the timeline for the next planned release.				
SWU	62		D	The Bidder should detail the release strategy for each of the components of the system.				
SWU	63		D	The Bidder should detail how long each type of new release is supported.				
SWU	64		D	The Bidder should detail if all the modules/functionality are released in a single pack – even if they were not modified – during an upgrade or phased in over a determined period of time or if only modified modules/functionality are released.				
SWU	65		D	The Bidder should detail the implementation process for a new release and if the components of a new release can be applied individually by module or only integrally without adversely affecting the functionality of the system.				
SWU	66		D	The Bidder should detail if with a new release the configuration settings for the live release carry forward to the next release or must be reinstalled.				
SWU	67		D	The Bidder should detail if with a new release the patches applied to the live release carry forward to the next release or must be reinstalled.				

A	B	C	D	E	F	G	H	I
Area	Req No.	Req	Req Type	Technical Requirement	Vendor Solution Category	Module Name	Solution Description	Supporting Documentation Reference in Response to RFP
SWU	68		D	The Bidder should detail recommendations for customizing (if necessary) the system that would limit the impact on future upgrades/releases.				
SWU	69		D	The Bidder should describe how the content of future releases and upgrades is determined and how is it communicated to the clients.				
SWU	70		D	The Bidder should describe what mechanisms are available to clients to influence future product releases.				
SWU	71		D	The Bidder should provide details about any user groups or any other user forums that are supported by the bidder including any specific groups or communities of practices that focus on public sector or international organizations. Provide the contact information of the current senior ranking official representing clients in the user group.				
DOC	72		M	The Bidder shall provide 1 (one) printed copy and 1 (one) electronic copy of all documentation available (i.e. PDF, MS Word, MS Excel, MS Powerpoint are acceptable) - user manuals, technical manuals, release notes, etc. at the time of bid response submission.				
DOC	73		M	The Bidder shall describe the policy for releasing updates to documentation including the timing of documentation release as related to software upgrade release.				
DOC	74		M	The Bidder shall describe the policy for duplicating standard documentation such as user and technical manuals.				
DOC	75		D	The Bidder should describe any on-line and off-line user communities supported by the Bidder. Examples include but are not limited to user forums, periodic publications, etc.				

Areas	
APA	Application Architecture
DBS	Database
DOC	Documentation and Reference Material
IIE	Interfaces and Data Import/Export
NET	Network
PCF	Platform Configuration
R&Q	Reporting and Query Tools
S&S	Servers and Storage
SCO	System Configuration
SMT	System Management and Tools
SWU	Software Upgrades
UEV	User Environment

Requirement Type	
D	Desirable Requirement
M	Mandatory Requirement

Vendor Solution Category	
SC	Standard functionality, only routine configuration required by the End User or System Administrator.
CC	Some non-routine configuration required by Technical Staff prior to installation.
DE	Compliance can only be achieved by custom code development by the Bidder's Technical Staff.
TP	Third Party software required.
NC	Cannot meet requirement.

APPENDIX 3. ABBREVIATIONS AND GLOSSARY OF TERMS

A. ABBREVIATIONS

Abbreviation	Meaning
A	
A/E	Architecture and Engineering
ACO	Allied Command Operations
ACT	Allied Command Transformation
ALTBMD PO	Active Layered Theatre Missile Ballistic Missile Ballistic Missile Defence Programme Office
AOM	Alliance Operations and Missions
APF	Advance Planning Funds
ARRP	Alliance Operations and Missions Requirements and Resources Plan
AS	Action Sheet
B	
BC	Budget Committee
BOD	Board of Directors
C	
CB	Civil Budget
CF	Common-funded/Common Funding
COFFA	Certificate of Final Financial Acceptance
COTS	Commercial Off The Shelf
CP(s)	Capability Package(s) = Program
CRP	Consolidated Resource Proposal
D	
DNOR DIR NOR	Director of the NATO Office of Resources
DMS	Document Management System
DS	Decision Sheet
H	
HN HNs	Host Nation Host Nations
I	

Abbreviation	Meaning
IBAN	International Board of Auditors for NATO
IC	Investment Committee
ICB	International Competitive Bidding
IFB	Invitation for Bid
IMP	Implementation Management Procedure
IMS	International Military Staff
IS	International Staff
J	
JFAI	Joint Final Inspection and Formal Acceptance
JSSR	Joint Staff Screening Report
L	
LCEs	Latest Cost Estimates
M	
M&I	Management and Implementation Branch (NOR)
MB	Military Budget
MC	Military Committee
MMR	Minimum Military Requirement
MTFP	Medium Term Financial Plan
MW	Minor Works
N	
NAC	North Atlantic Council
NACMA	NATO Air Command and Control Management Agency
NAE	National Administrative Expenses
NAMSA	NATO Maintenance and Supply Agency
NATO	North Atlantic Treaty Organization
NC3A	NATO Consultation, Command and Control Agency
NCIA	NATO Communications and Information Agency
NDPP	NATO Defence Planning Process
NFRs	NATO Financial Regulations
NMA	NATO Military Authorities
NOR	NATO Office of Resources
NSIP	NATO Security Investment Programme
NSPT	NATO Support Agency
O	

Abbreviation	Meaning
O&M	Operations and Maintenance
P	
P&P	Plans and Policy Branch (NOR)
PIP	Capability Package Implementation Plan
PMC	Project Management Costs
PPM	Project Portfolio Management
PSC	Project Service Costs
R	
R&D	Research and Development
RC	Required Capability
RPPB	Resource Policy and Planning Board
S	
S&F	Secretariat and Finance Branch (NOR)
SAFR	Semi Annual Financial Report
SAP	Stand Alone Project
SATCOM	NATO Satellite Communication
SC	Strategic Command
SCs	Strategic Commands (ACO+ACT)
SME	Subject Matter Expert(s)
T	
TBCE	Type B Cost Estimates
TCCE	Type C Cost Estimate
U	
UR	Urgent Requirement(s)
W	
WGTE	Working Group of National Technical Experts

B. GLOSSARY OF TERMS

Term	Definition
A	
A posteriori	Literally the expression “A posteriori” means “after the fact”. In the NSIP context it normally describes the condition of works of projects or part thereof, which is eligible for CF, which the nation has executed (or at least signed a contract) and funded without prior authority by the IC. The IC may decide to waive the “a posteriori” aspect.
Advance Planning Funds (APF)	Advance Planning Funds are defined as financial amounts authorised to the HN prior to the First Stage Authorisation or authorisation of the main scope of work of a project. Normally requested after approval of the CP. However, the HN may request the authorisation of APF at any time after the CP or SAP is submitted to NATO HQ by the SC, but it may be subject to conditions. The HN can use the APF as NAE or AE fees or in a customer funded context.
Affordability	Affordability refers to the ability, of NSIP to fund a CP or a project within a prescribed timeline. In the case of CPs, affordability operates a level higher than the IC.
Alliance Operations and Missions (AOM) Requirement	Alliance Operations and Missions Requirement is the military capability, NATO needs to be able to accomplish its missions and operations. The term AOM is used interchangeably with the term CRO.
Architecture and Engineering (A/E) fees	The Architecture and Engineering fees are expenditures for architectural and engineering services - such as planning and design, preparation of TBCEs etc. - for which funds may be authorized.
Audit	There are 3 types of audit: <ul style="list-style-type: none"> - project audit; - the financial audit and - performance audits. All of these types apply in the NSIP context. (see also “Audit - Financial”, “Audit – Project”, “Audit – Performance”)
Audit - Financial	Financial Audit covers the audit of the annual financial statements of NATO Commands, Agencies and other Bodies). The Audit Opinions and Reports are issued to the NATO Council or to the related Governing Body. The Resource Committees (RPPB, BC and IC) may be requested to provide input as appropriate.
Audit - Performance	Performance Audit concerns the evaluation of the economy, efficiency and effectiveness of specific programmes, activities or entities. A Performance Audit report on the NSIP was issued in 2009. A Performance Audit was also started for the CP process. The audit reports are issued to Council; the Resource Committees may be requested to provide input as appropriate.

Term	Definition
Audit - Project	The NSIP Project Audit is an examination of the project accounts presented by the HN, in order to enable the Council and, through their Permanent Representatives, the Governments of member countries to satisfy themselves that common funds have been properly used for the settlement of authorised expenditure.
Authorisation	The “Authorisation” is the decision taken by the IC authorizing the HN to disburse NATO funds. It can cover planning and project execution. The Authorisation establishes the physical scope that the HN has been authorized to execute and the financial scope (amount) which NATO accepts to pay from common NSIP funds. In general, for projects the authorisation procedure is divided into the “First Stage Authorisation” and the “Authority to Issue the Invitation for Bid”. The “First Stage Authorisation” and the “Authority to Issue the IFB” replaced the “Two Stage Authorisation” procedure.
Authorisation phase	The Authorisation phase falls in the responsibility of the IC. It normally follows the approval phase “CPs” and precedes the execution of the physical scope. In the Authorisation phase, the IC takes the decision on what works the HN may undertake, the total amount of funds that the HN may spend to implement the technical solution, the procurement method, and whether to provide funds to the HN to meet its expenditures.
Authority to Issue the Invitation for Bid (IFB)	The Authority to Issue the IFB is the point at which a binding obligation exists between the HN and the IC to implement the project and whereby the IC is granting the authority to enter into a contract. This requires that the IC has ascertained that the project remains affordable within NSIP financial planning according to the implementation timeline. Again at this stage, the HN must confirm the ability and intent to implement in line with the schedule and expenditure profile. The IC decision grants the HN the authority to issue the Invitation For Bid in line with the agreed procurement strategy and includes formal authorisation of the physical scope, financial scope and funds (increments where applicable) including the remaining NAE and A/E fees as applicable.
B	
Best Value Bidding Procedures	The Best Value Bidding Procedures are a bidding evaluation method that considers criteria other than lowest cost.
Budget Committee (BC)	The Budget Committee is one of NATO’s Resource Committees. It oversees budget, planning and policy role for the common funded Military and Civil Budget and associated budgets assigned to the Committee by the NAC. The BC is responsible to the RPPB.
C	
Cahier des Charges	The Cahier des Charges are the bidding documents issued by a HN containing technical administrative and contractual requirements/conditions.

Term	Definition
Call for Contributions	The Call for Contributions is issued four times per year, requesting nations to pay each other through multilateral compensation for a specified amount and currency based upon the cost share arrangement applicable to each authorisation.
Cancellation Fees	Cancellation Fees are the amount of reimbursement for expenditures incurred by the HN on projects which have been deleted by the IC. Cancellation fees are not automatic, but must be authorised by the IC.
Cancelling (a project)	If the project being stopped is not yet programmed then the action is considered “cancelling” a project.
Capability Area Improvement Programme	A Capability Area Improvement Programme is a NDPP term, which deals with specific unfilled requirements identified in the Capability Area Plan.
Capability Area Plan	A Capability Area Plan is a NDPP term which identifies the totality of the requirement that has to be met to provide the Alliance with capabilities in a specific capability area. Therefore it captures all relevant elements associated with the Capability Development Process (all development stages from analysis of the strategic environment to implementation).
Capability Master Plan	The Capability Area Plans will be linked together in form of a Capability Master Plan, which is also a NDPP term and that will identify the totality of the requirement that has to be met to provide the Alliance with capabilities.
Capability Package (CP)	A Capability Package is a combination of national and NATO-funded assets and support facilities which, together, will enable a Major NATO Command to fulfil a specific military function or requirement. It is known as the tool used by the resource community to provide a capability needed by the Strategic Commander to fulfil a military requirement.
Capability Package Approval	An approval of a Capability Package results in the programming of common funds needed to complete NSIP projects proposed in the CP.

Term	Definition
Capability Package Consolidated Resource Proposal	<p>The “Capability Package Consolidated Resource Proposal” defines the Assets required to satisfy the Required Capability. It consists of Section 5 to 10.</p> <p>“Section 5 – Assets Required” identifies the Assets (Forces, Armaments, Logistic means and Resources (Infrastructure, Military Budget and International Manpower) required to satisfy the Required Capability.</p> <p>“Section 6 – Assets Available” identifies the Assets already available to satisfy or partially satisfy the Required Capability.</p> <p>“Section 7 – Analysis of Assets and Options” identifies any shortfalls in the Assets available to satisfy the Required Capability and the options for resolving the shortfalls. This Section provides the basis for the Project Data Sheets and the O&M Support Plan.</p> <p>“Section 8 – Consolidated Resource Proposal” provides a summary of the additional NSIP, Military Budget and International Manpower requirements, profiled over the next MTRP period, less any offsets, together with the NSIP requirement for later years, the total additional programming requirement and the annual steady state military budget and manpower requirements derived from the Project Data Sheets and , for CIS CPs from the O&M Support Plan.</p> <p>“Section 9 – Commander’s Operational Impact Statement” states the impact of delaying or not fulfilling the proposal at Section 8.</p> <p>“Section 10 – Commander’s Remarks” identifies any issues not exposed in any of the previous sections that will require special consideration by the MC, RPPB or the NAC.</p>
Capability Package Coordinator (within the NOR)	<p>The Capability Package Coordinator is an engineer within the NOR (M&I Branch), who provides independent advice, monitors and coordinates all efforts linked with the provision of a CP.</p> <p>At the level of the SC a CP Coordinator (CAPCO) is responsible for the production of the CP in conjunction with a Mission Sponsor (MISPO).</p>
Capability Package Implementation Plan (PIP)	<p>The Capability Package Implementation Plan is a document, produced by the NOR, when the CP is approved and outlines the implementation and expenditure profiles for the projects in the CPs. It has the aim to help the HN to understand better the requirements (shortfalls, corrections, O&M costs), to refine the schedule and indicate a baseline against which the implementation progress of the CP and of the individual projects can be measured.</p>
Capability Package Process	<p>The Capability Package Process itself consists of the development process, the approval process and the implementation. It is the process from the definition of a CP to full implementation. In general the CP process is the primary process through which Resource Planning is fulfilled.</p>

Term	Definition
Capability Package Requirements Definition	The Capability Package Requirements Definition is the first portion of a CP, which identifies an Alliance military requirement that may be fulfilled (wholly or partially) through NATO CF and, or International Manpower.
Carry Forward (from prior reporting period)	Difference between the forecasts paid and the actual expenditure of the Host Nation
Certificate of Final Financial Acceptance (COFFA)	A Certificate of Final Financial Acceptance is a certificate issued by the IBAN for individual projects or integral parts of projects when the project outputs/projects deliverables have been formally accepted and the audit examination is completed. The COFFA formally relieves HN of any further accountability for funds authorised and expended.
Civil Works	The Civil Works are fixed infrastructure to cover the Minimum Military Requirements, set up through the NSIP.
Common Funding (CF)	Common Funding are formal arrangements which have been put in place whereby member nations, collectively, provide funds to NATO. There are three different types of CF in NATO: the Civil Budget, the Military Budget, and the NSIP.
Completed project	A completed project can either be considered physically complete or financially complete. A project is considered physically complete once it has been handed over to the User. (beneficial occupancy) Financially completed projects have received a COFFA from the IBAN and the list of completed projects has been to the IC for agreement. The IC is often requested to deauthorise scope and funds to be in line with the amount in the COFFA.
Completion Date	The Completion Date is the date on which HN technical acceptance (provisional or not) vis-à-vis the contractor (or contractors) is performed and the executed works are available for use and can be handed over to the User. This is the date on which the HN checks that the works have been built according to the specifications in the contract (or contracts).
Compliance	Compliance is the conformity with the “Cahier des Charges” during the bidding phase.
Confirmation	When a nation is not in a position to agree to a particular IC decision, the nation may state that the decision will be “subject to confirmation”, meaning that the nation may agree at a later date (typically after some further discussion outside the formal meetings). When a Committee decision has been made subject to confirmation, additional confirmation may be added by other nations.
Contractor	The contractor is a firm of a participating country which has signed a contract with a HN to perform a service, manufacture a product or carry out work for NATO. In most instances the contractor originates from a participating country.
Contribution in Kind	In NATO multilateral context, a Contribution in Kind is an input of NATO members in lieu of the normal funding contribution.

Term	Definition
Contributions	Contributions are the amounts paid and received by the participating nations in accordance with the agreed cost sharing arrangements and decisions made on forecasts during the approval by the IC of the SAFR.
Cost Overruns	Cost Overruns are increases in the financial scope authorized by the IC. Cost Overruns may appear as a result of higher than expected bids in a competitive bidding process or during the implementation of the work.
Cost Overruns of a purely financial nature	Cost Overruns of a purely financial nature can be, cost overruns due to currency fluctuation; cost overruns due to bid; other cost overruns of a purely financial nature (e.g. price revision).
Cost Share Arrangement	The Cost Share Arrangement is the agreement by participating nations to contribute a specific percentage to the approved ceiling for CF.
Cost Sharing Formula	see Cost Share Arrangement
Cost Sharing Mechanism	see Cost Share Arrangement
Country of Origin	The Country of Origin is the home country of a contractor or sub-contractor.
Crisis Establishment	The Crisis Establishment is a table, which sets out the authorised redistribution of manpower and augmentation of personnel for a unit, formation or headquarters under crisis conditions.
D	
Deauthorisation (within a project)	A deauthorisation (within a project) is the reduction in the authorised scope and/or funds.
Decision sheets	Decision sheets record the decisions reached by a committee/board.
Deferring (a project)	In cases where there is some uncertainty about the military requirement, the IC may decide to defer the implementation of the project until the military requirement can be confirmed.
Deficiencies (JFAI)	Deficiencies (JFAI) are shortcomings detected by the JFAI Teams relating to the authorized physical scope of projects. Recommendations to correct deficiencies are based on the current military requirement.
Delegated authority (to the International Staff)	The delegated authority is granted by the IC to the NOR to authorise urgent works during the summer recess and winter recess, where resource committees meet only if there is business.
Deleting (a project)	If the project being stopped is programmed (whether authorised or not) then the action is considered “deleting” the project.

Term	Definition
Demolition costs	Demolition costs are funded by the NSIP, only if the site is to be reused immediately for another NSIP project, and the demolition costs can clearly be attributed to site preparation for the new project.
Disposal	After the surplus declaration a facility or equipment would be disposed off by the HN in accordance with her national rules.
E	
Eligibility to Bid for NSIP works	Eligibility to Bid for NSIP works means that participating nations nominate firms that may participate in the Bidding process. Through their nomination, these firms are declared eligible to bid.
Eligible firm	An eligible firm is a firm for which the country of origin has given a “Declaration of Eligibility”.
Excess Works	Excess Works are completed works which have been noted by the JFAI Team as being in excess of the authorised physical scope.
Exchange Rates	Exchange Rates for the NSIP transactions are calculated quarterly by the NOR and applied for the conversion of amounts in national currencies to EUR For the evaluation of bids in the ICB procedure, the exchange rate that applies is the average of the official commercial buying and selling rates quoted at the close of business on the working day previous to the bid closing day in the country where the price envelopes are opened.
Executive Working Group (Reinforced)	The Executive Working Group (Reinforced) became a key committee for defence policy in 2010 and was therefore renamed in “Defence Policy and Planning Committee” (see also Defence Policy and Planning Committee).
F	
Financial ceiling	The financial ceiling is the NAC-approved upper limit on the funds to be contributed by the member nations during a calendar year. There are separate ceilings for the three areas of CF: the NSIP, the Military Budget and the Civil Budget.
Financial Increments	In certain cases where the financial scope of a project is large, the IC may initially authorize a reduced amount in financial funds, which is also called Financial Increments. Therefore Financial Increments are partial financial authorisations and are the disbursement authority for funds.
Financial reports	Financial Reports are prepared semi annually (monthly) for each HN and agency containing financial data related to individual NSIP projects, such as the programmed amount, latest cost estimates, authorisations, actual expenditures and forecasts of expenditure.
Financial scope	In NSIP context, the financial scope is the amount of funds, the HN may spend on a project (“how much”).

Term	Definition
First Stage Authorisation	At the “First Stage Authorisation” stage the IC agrees to the physical scope of a project and only authorises sufficient funds, in the form of NAE/AE fees for the finalisation of the design of a project and prepares the “Invitation for Bid” documentation. It also agrees to the procurement strategy and that the implementation schedule and expenditure profile is realistic and affordable within current NSIP financial planning. Full authorisation will only occur at the “Authority to Issue the Invitation for Bid” stage. The HN confirms the ability and intent to implement in line with the schedule and expenditure profile.
Funding mechanism	In NATO context a funding mechanism is the type of financing in order to provide the monetary resources for the purchase of NATO's necessary capabilities.
G	
Gains and losses	Gains and losses are a result of comparing contributions calculated at quarterly NSIP rates and the actual daily market rate at the date of payment. The net amount of Gain or Loss is calculated for every quarter and is redistributed amongst all the nations in proportion to the amount paid by each country in any call for contributions. The amount of Gains and Losses are not included in the cumulative contributions and are not part of the contribution ceiling.
H	
Host Nation (HN)	NISIP projects are implemented by a Host Nation, which would normally be the country on whose territory the project is to be implemented, a NATO agency or a SC. A HN is the entity which implements a project on behalf of NATO. Currently there can a HN be one of the 28 member nations, 2 of the SCs or NC3A, NACMA, NAMSA or CEPMA.
I	
Implementation rate	The implementation rate is the ratio of the amount actually expended in a time period compared to the amount that was forecasted and authorized by the IC to be expended in that period.
Inframation Database	The Inframation Database is a database under NOR responsibility, which provides a detailed overview about the authorisation, implementation and the financial status of all (security investment) projects, funded from the NSIP.
International Military Staff (IMS)	The International Military Staff is headed by a General/Flag officer, selected by the MC from candidates nominated by member nations for the position of Director General of the IMS. The IMS, under his direction, is responsible for planning, assessing and recommending policy on military matters for consideration by the MC, as well as ensuring that the policies and decisions of the Committee are implemented as directed.
Investment Committee (IC)	The Investment Committee is one of NATO's Resource Committees and responsible for the implementation of the NSIP, as screened by the RPPB and approved by the NAC or DPPC.
J	

Term	Definition
Joint Final Inspection and Formal Acceptance (JFAI)	The Joint Final Inspection and Formal Acceptance is a formal procedure whereby NSIP funded assets are inspected by a Joint Team composed of representatives of the HN, military authorities and the NOR to ensure that the project conforms fully to authorisation and meets the military requirement. It consists of the Joint Final Inspection and the Formal Acceptance. Together it shall constitute formal agreement that the works in question are physically complete and militarily and technically acceptable and that the responsibility of the HN for completion of the works has been fully discharged. The Joint Team provides a Joint Formal Acceptance report to the IC. The works are formally accepted into the NATO Inventory by the IC on the basis of that report.
Joint Funding	Joint Funding is a special type of Multi-national Funding within the terms of an agreed NATO Charter. The participating nations identify requirements, priorities, and funding levels, and develop a formal cost sharing mechanism. NATO has visibility into these arrangements, and often provides political and financial oversight.
Joint Staff Screening Report	When a CP is received at NATO HQ, the NOR (M&I Branch) and the IMS work together to prepare a common report for the MC and the RPPB. This report is known as the Joint Staff Screening Report. The JSSR is the basis for agreement by Council.
L	
Latest Cost Estimate (LCE)	The Latest Cost Estimate is the sum of the amount already expended plus the future expenses forecast by the HN in its Semi Annual Financial Report to meet all costs for the completion of an NSIP funded project. The LCE is the total estimated cost to bring the project to completion.
NATO 'Level of Commitment'	The extent to which a military requirement has progressed through the NSIP approval process, which then correlates with the solidity of the expenditure profile. The highest level of commitment is authorized (authority to issue the IFB) and contracted which has the most reliable expenditure figures; the lowest is identified for which the expenditure profile carries a high degree of risk. Intermediate levels of commitment have correspondingly higher or lower expenditure risk factors.
Limited Competition	Limited Competition is a procedure, there the number of firms is restricted, usually for reasons of prequalified eligibility or in specialized areas by a NATO body.
Lump Sum	A Lump Sum can be defined as a fixed, once and for all, comprehensive authorisation reflecting all cost elements, including AE/NAE's and contingencies. A Lump Sum may be granted when it is very difficult and impractical to separate the NATO scope from the national scope. Once a nation has received a lump sum contribution it has no further claim on NATO for cost over runs and must complete the works from its own resources.
Lump Sum (conversion)	A Lump Sum is a previously authorized portion of a project normally for reasons of a lack of documentation of project costs. It is not subject to JFAI but for audit again.
M	

Term	Definition
Medium Term Resource Plan (MTRP)	The Medium Term Resource Plan is the primary document used for short to medium-term resource planning and is reviewed on an annual basis. It is a NOR yearly written and adjusted document for the RPPB in order to provide the NAC a comprehensive overview of and forward look on activities requiring CF and developing recommendations on resources, ceilings and planning figures. Its aim is to go as far as possible in the direction of a detailed profile using existing resources and processes. It covers the three NATO resource pillars of investment, O&M and manpower. The MTRP makes recommendations on the resources to be allocated to the MB and the NSIP for the budget year and to set NSIP planning figures for a five-year outlook period.
Military Budget (MB)	The Military Budget is the collective name for some 50 individual budgets. It provides funds for NATO's integrated Military Command Structure (incl. civilian salaries), O&M costs of NATO C3 and Air C2 systems, O&M costs (that are not directly attributable to a troop contributing nation) of AOM (formerly CRO) and NATO Training, Educational Research entities. The MB operates as an annual budget and is implemented by the BC.
Military Committee (MC)	The Military Committee is the Senior military authority in NATO under the overall authority of the NAC. The MC provides military advice to Council and establishes military requirements and priorities which serve as the basis for resource proposals.
Minimum Military Requirement (MMR)	The Minimum Military Requirement is the most austere system to meet a NATO military need. An NSIP project must meet but not exceed the MMR in order to be considered for authorisation.
Minor Work	A Minor Work is defined as discrete project, straightforward, self-standing and completely usable, not part of a currently proposed project and not the planning or a consulting aspect associated with a larger project. Minor Works must be in line with the current guidelines for CF.
Minor Works Procedure	The Minor Works Procedure is an alternate method to identify and authorize funds for Minor Works. The RPPB granted authority to the IC to deal with Minor Works. Based on this authority the IC established in 1979 the Minor Works Procedure which has been revised periodically since then.
Miscellaneous Fund Request	A Miscellaneous Fund Request is the request of a HN, seeking for authorisation of work(s) and or funds, which are a minor portion of a project that has already been programmed.
Miscellaneous Fund Request Procedure	The Miscellaneous Fund Request Procedure is a streamlined procedure for straightforward and non-controversial authorisations below 300.000 EURO dealing with a minor portion of a project that has already been programmed. The purpose is to eliminate tedious and unnecessary work by the NOR and the IC and to accelerate the authorisation process.

Term	Definition
Multi-national funding (in general)	Multi-national funding (in general) means that in general NATO member nations cooperate for a funding arrangement in order to provide/implement NATO capabilities. There are different types of Multi-national funding. The primary types are known as: multi-national funding (proper), joint funding and CF. Other types of multi-national funding include Contributions-in-Kind and Trust Funds.
Multi-national Funding (proper)	Multi-national Funding refers to a funding arrangement outside the NATO structures involving two or more nations, based on bilateral and multilateral arrangements between these concerned nations.
N	
National Administrative Expenses (NAE)	National Administrative Expenses are in general expenses incurred by the governmental services of HN for the implementation of NATO common funded NSIP projects, which are subsequently reimbursed from common funds in accordance with established procedures. NAE are project service costs in the case of the NC3A, project management costs for NAMSA.
National funding	National funding provides such capabilities which are required as an integral element of the national force, but at the same time are also committed for NATO use. For e.g. salaries (especially the salaries of the armed forces) and capabilities (such as weapon systems) that are committed for NATO use.
NATO Capability Survey	The NATO Capability Survey is the primary information gathering tool to support the NDPP and has replaced the Defence Planning Questionnaire. It is a summarizing picture of the actual condition of the Capability Implementation.
NATO Financial Regulations	The NATO Financial Regulations, approved by the NAC, govern the financial administration of all civilian and military headquarters and other organizations established pursuant to the North Atlantic Treaty and financed through international budgets. They prescribe approval by the respective resource (finance) committees of rules and procedures in implementation of the regulations, ensuring effective, economical budgetary and financial administration.
NATO Inventory	The NATO Inventory consists of all common-funded NATO facilities and (technical) systems, which are in NATO's use after JFAI and acceptance by the IC; including existing national facilities equipment offered by the HN and accepted by the IC.
NATO Military Authorities (NMA)	NATO Military Authorities consist of the SCs and the MC.
NATO's Level of Ambition	NATO's Level of Ambition is the number, scale and nature of the operations which the Alliance, which NATO should be able to conduct.
North Atlantic Council (NAC)	The North Atlantic Council is the principal decision-making authority of the North Atlantic Alliance. The only body formally established by the North Atlantic Treaty, invested with the authority to set up "such subsidiary bodies as may be necessary" for the purposes of implementing the Treaty.

Term	Definition
NSIP Financial Cycle	The NSIP Financial Cycle is an annual cycle, one part of NATO's Resource Planning process and covers the Common Funding arrangements for the provision of new capabilities and major renovations, upgrades and modifications of existing ones, which were identified within the NATO Defence Planning Process.
Null and void (specific)	In general an authorisation which is "null and void" refers to an authorisation, considered to be no longer valid for any reason for e.g. if eligibility for CF of a project concerned is unclear, the authorisation of APF prior to the CP or SAP approval can only be granted on condition that the HN accepts that the authorisation will be considered "null and void", if project eligibility is later not agreed. This means that in this case the HN takes the risk to have no entitlement for later reimbursement.
O	
Operations & Maintenance (O&M) costs	Operations & Maintenance costs cover the routine maintenance and running costs for NATO provided infrastructure. They are the responsibility of the User which can include Military entities out of the Military Budget.
P	
Participating country or participating nation	Participating country or participating nation is a NATO country which is included in the cost share for the specific project.
Performance Audit	The Performance Audit is undertaken by the IBAN for a specific subject, for e.g. a Performance Audit on the NSIP was issued in 2009/2010. A Performance Audit has been started for the CP process.
Physical scope	In NSIP context the physical scope covers the specific works ("what") has to be done by the HN as a project. It is the exact nature and range of the work supported for authorisation by the IC and a breakdown of the cost estimate by items as set out in the screening document prepared by the IS.
Prefinancing	Prefinancing is a procedure by which a HN may declare to NATO its intention to fund from national resources a project which may later qualify for NSIP funding. In this manner the project avoids being classified as "a posteriori".
Prefinancing statement	The Prefinancing statement is the declaration of a HN to NATO, that it has the intention to prefinance a project from national resources. It is the document which is prepared by the IS and noted by the Committee and contains the scope of work, the costs and the proposed procurement strategy. (see also Prefinancing)

Term	Definition
Programming	There are 4 types of programming a project. The CP and SAP project process follow the same format of programming. The CPs and SAPs are reviewed by the RPPB and the MC and formerly approved by the NAC. The Minor Works and UR for which programming authority has been delegated to the IC, the projects are considered programmed as from the time of the first IC authorisation against the project.
Project Data Sheet	The Project Data Sheet is the document which is a proposal for projects with a detailed description of their resource requirements, including scope, cost (investment, O&M costs and Manpower) schedule; estimated date of authorisation request, contract signature and completion.
Project Implementation	The Project Implementation covers the planning and design, preparation of type “B” cost estimate, contracting, monitoring the construction works, accepting the works from the contractor submitting requests for acceptance into the NATO Inventory and for audit, managing and controlling funds, and all other tasks associated with the completion of an NSIP project. Project Implementation is the responsibility of the HN and the IC is responsible for monitoring implementation management.
Project Management Costs (PMC)	Project Management Costs (PMC) are one type of funds that are provided to NAMSA to cover project management activities throughout the life cycle of a project. Normally they are paid for the management activities throughout the life cycle of a project. These funds are equivalent to NAEs, but PMC are specific for NAMSA.
Project Service Costs (PSC)	Project Service Costs are one type of funds that are provided to NC3A to cover project service activities throughout a life cycle of a project.
R	
Reservation	When a nation strongly disagrees with a particular decision, then the nation may state that the decision is “subject to a reservation” by that nation. This means that it is almost certain that the nation will never agree to that decision in its current form. A reservation is considered much stronger than a confirmation, and is rarely used.
Residual value	The Residual value can be generally defined as the remaining value after payment of charges and debts. This means that in cases where no NATO reuse is proposed and local disposal is recommended the NSIP funded works may have some residual value and should be reimbursed to the NSIP. There is no negative residual value amount; this means, NATO will not reimburse for disposal costs.
Resource pillars	A Resource Pillar is a planning category within Resource Planning. Resource Planning covers 3 common-funded resource pillars, which are the NSIP; MB and Manpower.

Term	Definition
Resource Planning	Resource Planning is in the discipline within Defence Planning to facilitate the provision of the resources for the capabilities needed by the Alliance collectively to meet the demands of its tasks and missions. Resource Planning is also done by the RPPB.
Resource Policy and Planning Board	The Resource Policy and Planning Board is one of NATO' s Resource Committees. It advises the NAC on mid- and long- term requirements for, and availability of, military common-funded resources and other types of funding, in support of Alliance objectives and priorities. It screens and endorses CP for NAC or DPPC approval. The RPPB reviews and advises also the Alliance on resource policy, planning and management arrangements, eligibility and affordability.
Reuse	After the surplus declaration the SCs can decide that the asset can be used by another NATO entity period, when there is a recommendation to reuse only the portion of the surplus works; the remainder can be disposed of by the HN.
S	
Semi Annual Financial Report (SAFR)	The Semi Annual Financial Report contains all financial information for approved projects to be implemented by a Nation, SC or Agency. Through the approval of the SAFR, the IC approves the forecasts used for preparation of the call for contributions as well as the additional funds called “financial increments” which are partial financial authorisations for programmed projects where the scope has already been authorised by the IC.
Sole source procurement	A sole source procurement is a contract, which is awarded without competition to a firm.
Start-up costs	Start-up costs are known as “the investment costs”, covered by NSIP funding for the establishment of required NATO capabilities. Sometimes start-up costs have on occasion be called “Overhead and Support Costs”.
Strategic Commands (SCs)	<p>The Strategic Commands are the highest level of the NATO Command Structure. There are two SC, namely, Allied Command Operations and Allied Command Transformation.</p> <p>see also “Supreme Allied Commander Transformation” and “Supreme Allied Commander Europe”</p>
Surplus declaration	Following a request by the User to delete facilities or equipment from the NATO Inventory, the surplus declaration is the official statement by the SCs, that the items in question are no longer required to meet the minimum military requirements.
T	
Type B Cost Estimate (TBCE)	The Type B Cost Estimate are estimates related to the cost of a project. It is a detailed engineering estimate usually based on a site survey and engineering opinion. In cases where the actual design is not yet determined (e.g. command and control systems), it may be based on a notional architecture. Where the design has been taken to approximately to the 35% stage a TBCE can be prepared.

Term	Definition
Type C Cost Estimate (TCCE)	The Type C Cost Estimate is based on actual cost either for completed projects or for projects for which a contract has already been awarded and costs are clearly defined.
U	
Urgent requirement (UR)	Urgent requirements are programmed by the IC under delegated authority and are not part of a CP or SAP project for reasons of urgency (AOM are also considered URs). URs are military requirements that are in line with CF guidelines. They are based on operational, safety, economic and environmental considerations and need to be implemented promptly to ensure that the current operational capability is maintained. URs are authorised on a case by case basis by the IC.
User	For every NSIP project, a member nation, an agency or an SC is made responsible for the use of the works once they have been accepted from the contractor by the HN and declared ready for operations. This nation or agency is known as the "User". In many cases, the HN and the User are the same. In some cases, NATO entity is the User.
User Nation	See User.
W	
Working Group of National Technical Experts	The Working Group of National Technical Experts consists of technical experts in the field of Air C2 and CIS, provided by the nations. They are not an exclusive part of any Committee's or Board's substructure but they are considered to be a pool of expertise for the Committee's and Board's work.