



Acquisition Office
Boulevard Léopold III
B-1110 Brussels, Belgium

NCIA/ACQ/2022/07354
23 November 2022

To : See Distribution List

Subject : **REQUEST FOR QUOTATION – RFQ-CO-115785-VTC**
Provision of VTC CODECs

Reference(s) : A. AC/4-2261 (1996 Edition)
B. AC/4-D(2019)0004 (INV)
C. NCI Agency SOP 16.01 Procurement
D. AC/4(PP)D/28227-ADD5
E. AC/-DS(2022)0018

Dear Sir/Madam

1. Your firm, as active BOA holder, is herewith invited to participate in a BOA competition (RFQ) for the Provision of VTC CODECs.
2. The NCI Agency intends placing one contract to cover the entire scope of the project. No partial bidding will be allowed. Contract award will be based on the proposal evaluated as the lowest price, technically compliant bid.
3. The reference for the Request for Quotation is **RFQ-CO-115785-VTC** and all correspondence concerning the RFQ should reference this number.
4. In accordance with the NATO Management of Non-Classified NATO Information policy (C-M(2002)60), this RFQ is the property of the NCI Agency and shall therefore **NOT** be published on the internet.
5. **THE CLOSING TIME FOR SUBMISSION OF BIDS IN RESPONSE TO THIS REQUEST FOR QUOTATION IS Wednesday, December 7, 2022 at 14:00 Hours Central European Time (CET).**
6. This Request for Quotation consists of a Book I: Bidding Instructions, including Administrative Certificates and Bidding Sheets and a Book II: The Prospective Contract. The Prospective Contract contains the Signature Sheet, the Schedule of Supplies and Services (Part I), Contract Special Provisions (Part II), NCI Agency Contract General Provisions (Part III), and the Statement of Work (Part IV). The Statement of Work thereto sets forth detailed specifications governing the scope and requirements of the Contract.

NATO Communications and Information Agency
Boulevard Leopold III
1110 Brussels
Belgium
www.ncia.nato.int

NATO UNCLASSIFIED

7. The overall security classification of this bid is "NATO UNCLASSIFIED". This Request for Quotation remains the property of the NCI Agency and shall be protected in accordance with the applicable national security regulations.
8. Bidders have the right to request RFQ clarifications as outlined in Section 2.7 of the Bidding Instructions (Book I).
9. Bidders are requested to complete and return the enclosed acknowledgement of receipt within five (5) days of receipt of this RFQ, informing the NCI Agency of their intention to bid/not to bid. Firms are not bound by their initial decision, and if a firm decides to reverse their stated intention at a later date, it is requested to advise the NCI Agency via e-mail.
10. Please find attached to this letter the bidders list pertaining to the subject RFQ. (Attachment B)
11. This Request for Quotation does not constitute either a financial or contractual commitment at this stage. Prospective Bidders are advised that the NCI Agency reserves the right to cancel this RFQ at any time in its entirety and bears no liability for bid preparation costs incurred by firms or any other collateral costs if bid cancellation occurs.
12. The NCI Agency point of contact for all information concerning this RFQ is:
NATO Communications and Information Agency
Boulevard Leopold III
1110 Brussels, Belgium
Attn: Sarah Hazebroek, Senior Contracting Officer
E-mail: Sarah.Hazebroek@ncia.nato.int
13. As specified in the Bidding Instructions (Book I), Bidders will be required to declare a bid validity of six (6) months from closing date for receipt of bids.

On behalf of the Chief of Acquisition:

[Original signed by]
Alain Courtois
Principal Contracting Officer

Enclosure: Attachment A: Acknowledgement of Receipt
Attachment B: Bidders List

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ATTACHMENT A

ACKNOWLEDGEMENT OF RECEIPT OF REQUEST FOR QUOTATION

RFQ-CO-115785-VTC

Please complete and return within 5 days after receipt of the RFQ
(via e-mail to Sarah.Hazebroek@ncia.nato.int):

We hereby advise that we have received Request for Quotation **RFQ-CO-115785-VTC**
on _____, together with all enclosures listed in the Table of Contents.

CHECK ONE

- { } As of this date and without commitment on our part, we do intend to submit a bid.
- { } We do not intend to submit a bid.
- { } We are reviewing the requirements of the RFQ and will notify you of our decision as soon as possible.

Signature: _____

Printed Name: _____

Title: _____

Company: _____

Address: _____

ATTACHMENT B

Bidders List - RFQ-CO-115785-VTC

<i>Country</i>	<i>Vendor</i>
BELGIUM	ATOS Avaya Inc. Brevco Services Proximus NV Thales S.A. UNIFY COMMUNICATIONS
BULGARIA	2C-Trifonov & Co
CANADA	ADGA Group Consultants, Inc. General Dynamics Mission Systems-Canada Norsat International Inc. Rimpac Consultants Inc.
CROATIA	Prospectus d.o.o. VERSO ALTIMA d.o.o.
CZECHIA	GTS Czech, s.r.o. Techniserv, s.r.o.
DENMARK	Integra Consult A/S SAAB Danmark A/S Tema A/S
FRANCE	ASTRIUM Airbus Defence and Space SAS Altran technologies_ASD Paris INEO Defense THALES SIX GTS FRANCE
GERMANY	Bechtle GmbH & Co.KG CONET Solutions GmbH Lambda-Space GmbH ML Consulting GmbH Rohde & Schwarz GmbH & Co. KG
GREECE	ISI Hellas SA SSA S.A.
ITALY	NETGROUP SIRTI SpA
LATVIA	Belss Ltd
LUXEMBOURG	NTT LUXEMBOURG PSF SA SNOWBALL TECHNOLOGY SARL

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<i>Country</i>	<i>Vendor</i>
NETHERLANDS	Castor Networks B.V. Eurotempest BV Gannexion B.V. Network Innovations B.V. Tucana Telecom B.V. UNI Business Centre BV
NORWAY	Airbus Defence and Space AS Ceragon Networks AS (ex Nera Networks) Kongsberg Defence & Aerospace AS
POLAND	EXATEL S.A. Military Communication Institute OBR Centrum Techniki Morskiej VOL Sp. z o.o. Sp.k. Vector Synergy Sp. z o.o.
SPAIN	Epicom S.A. INETUM Indra Sistemas S.A.
TURKIYE	Ayesas Aydin Yazilim Ve Elektronik Sanayi Anonim Sirketi Simsoft Bilgi Teknolojileri Limited ²irketi Tubitak Bilgem Türkiye Bilimsel Ve Teknolojik Araytirma Kurumu Babkanliöi
UNITED KINGDOM	Centerprise International Ltd Elbit Systems UK Steatite Limited Storm Technologies Ltd
UNITED STATES	Booz Allen & Hamilton Inc DME Corporation EMW, Inc. Emerging Markets Communications (EMC) Equant Intelsat General Corporation Mutual Telecom Services Inc. One Diversified, LLC Rapiscan Systems, Inc SAIC Unisys Corporation

Distribution List for RFQ-CO-115785-VTC

Prospective Bidders (sent separately in electronic version)

All NATO Delegations

Embassies in Brussels (Attn: Commercial Attaché)

All NATEXs

Bidding Sheets Instructions

INTRODUCTION & IMPORTANT NOTES

Bidders should note that NCIA has recently updated its bidding sheet template and are encouraged to read the instructions in full for this new version before completing the bidding sheets.

All bidders are required to submit pricing details to demonstrate the Purchaser's Pricing Principles are being applied as part of their bids. All data submitted in these sheets shall be complete, verifiable and factual and include the required details. Any exclusions may render the bid as non compliant thus removing the bidder from the bidding process.

Bidders are **REQUIRED** to complete the following tabs:

- "Offer Summary",
- "CLIN Summary",
- "Labour",
- "Material",
- "Travel",
- "ODC",
- "Rates".

Note that input cells in the "Offer Summary" and the "CLIN Summary" tabs are colour coded YELLOW.

The instructions for the detailed tabs can be found below, as well as in the green boxes within each detailed tab. G&A, Overhead, material handling and other indirect rates do not need to be separately calculated in the detail sheets but must be included in the totals for each category (Labour/Material/Travel/ODC) as appropriate. A list of the direct and indirect rates applied in the bid must also be provided in the "Rates" tab, although they do not need to be linked to any and the detailed calculations. The list of these rates will be requested in pre-contract award from the winning bidder.

Note: any information found within GREEN boxes throughout the entire document is provided as an instruction and/or example only.

Any formulas provided in these bidding sheets are intended only to assist the bidder. Any changes in formula can be made at the bidder's discretion, as long as the detailed costs are clear, traceable and accurate as required. Ultimately the bidder is responsible for **ALL** values, formulas and calculations within the bidding sheets that are submitted to the Agency.

Bids in MULTIPLE CURRENCIES should follow the following instructions:

- For the "Offer Summary" tab bidders must add "Firm Fixed Price" column to the right of the current table for each additional currency.
- For the "CLIN Summary" tab, Bidders have 2 options: A) Two columns "Unit Price" and "Total Firm Fixed Price" may be added to the right of the current table for each additional currency of the bid; B) Bidders may duplicate the CLIN Summary tab for each currency bid.
- For the Detailed tabs Bidders have 2 options: A) Provide all the detailed data for all currencies in the table provided, selecting the individual currencies from the dropdown lists and summing only common currencies together in CLIN Summary/Offer Summary Sheets B) Duplicate the CLIN Summary tab for each currency bid.

DETAILED TABs	DESCRIPTION
<p>MATERIAL LABOUR TRAVEL ODCs</p>	<p>The detailed tables are to be completed by the bidder with all columns populated, and shall be expanded to include as many rows as necessary to provide the detail requested. The bidder is required to identify for each item the CLIN it is associated with from the drop down menu. Each column should then be populated using the column- specific instructions in the first row. Bidder may not delete columns within tables, or omit information from columns, but may add columns if necessary, although it's not anticipated this will be needed.</p> <p>Note CLINs with no costs associated with that item should also be selected within the table, and noted that there is no cost within that table for the CLIN. For example, if there is no labour associated with CLIN X.1, Select CLIN X.1 in the first column and then in the second column note "No Labour is associated with this CLIN". This will help to ensure that all the proper detail has been accounted for and properly allocated.</p> <p>Important Note: The Total sum of the "fully burdened" cost column should equal the grand total cost for each category (Labour, Material, etc.) to include profit as well as all indirect rates (G&A/Overhead/Material handling/etc.) associated with that category. These indirect rates must be included in the total firm fixed price on the appropriate detailed tab but are no longer required to be shown as separate calculations at the bidding stage. However, the bidder is required to include the associated indirect costs in the totals of the detailed tab in the base unit costs. Alternatively, the bidder may choose to show these as separate calculations by expanding the table columns to show the additional costs due to these indirect rates (similar to the way profit is calculated). Note again although the detailed indirect rate calculations are not required at the bidding stage, this information will be requested from the winning bidder during pre-contract award discussions.</p>

RATES	As discussed previously in these instructions, the detailed indirect rate calculations are not required to be included in the bidding sheets, although the bidders may chose to do so. However, ALL bidders are required to state the G&A/OH/Material handling and any other indirect rates that they have applied to the bid.
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For multiple currencies, duplicate the "Firm Fixed Price" column for each currency

CLIN Number	CLIN DESCRIPTION	Firm Fixed Price
Declare Currency =>		
Grand Total Firm Fixed Price - Base Contract		-
CLIN 1	CLIN 1 (BASE-EVALUATED) - Project Activities	-
CLIN 2	CLIN 2 (BASE-EVALUATED) - Equipment Delivery	-
Total Firm Fixed Price Base Contract		-

Offer Summary Instructions:

Bidders are to populate all **yellow cells**. Firm fixed prices need to be provided for every CLIN, with no omissions.

Note that any formulas existing in the cells are provided only to assist the bidder, and ultimately all calculations are the bidder's responsibility. As such, the contractor may alter any formulas necessary to provide an accurate, clear and traceable bid as required.

Important Note: The Total sum firm fixed price column in this "Offer Summary" sheet should equal the grand total from the "CLIN Summary" tab. These totals are also required to be traceable to the totals from the details tabs (Labour+Material+Travel+ODCs)= Grand Total= CLIN Summary Tab.

Example for multiple currencies:

For multiple currencies, duplicate the "Firm fixed price" column for each currency

CLIN Number	CLIN DESCRIPTION	Firm Fixed Price	Firm Fixed Price	Firm Fixed Price
Currency		Euro (EUR)	US Dollar (USD)	UK Pound sterling (GBP)
CLIN 1	Insert Base Contract CLIN Description here			
CLIN 2	Insert Base Contract CLIN Description here			
CLIN 3	Insert Base Contract CLIN Description here			
CLIN 4	Insert Base Contract CLIN Description here			
CLIN 5	Insert Base Contract CLIN Description here			
CLIN 6	Insert Base Contract CLIN Description here			
CLIN 7	Insert Base Contract CLIN Description here			
CLIN 8	Insert Base Contract CLIN Description here			

RFQ-CO-115785-VTC CLIN Summary										
BASE CONTRACT										
CLIN	Description	SOW Reference	Required Completion Date	Delivery Destination	Delivery Form	Unit of measure	Quantity	Unit Price	Total Firm Fixed Price	Optional Comments (Mandatory for zero costs lines)
Declare Currency =>										
1.0	CLIN 1 (BASE-EVALUATED) - Project Activities									
#####	Project Management, Documentation, ILS, shipment, standard warranty, etc.	SOW Sections 3 to 8	EDC till end of warranty	As required	Services	Lot	1	-	-	
#####	Final Acceptance (FA)	SOW Sections 3 to 8	EDC +20 weeks	As required	Services				NSP	
TOTAL PRICE CLIN 1										-
2.0	CLIN 2 (BASE-EVALUATED) - Equipment Delivery									
#####	Poly G7500 codec, no radio, codec only (PN: G7200-87340-125)	SOW Section 9	EDC + 20 weeks	CSSC BRUNSSUM	Equipment	Each	191	-	-	
#####	Poly+, One Year, Poly G7500 4k Base Unit (PN: 487P-85860-112)	SOW Section 9	Activation* + 1 year	CSSC BRUNSSUM	Equipment	Each	191	-	-	
#####	Poly Studio X50, NR, w/o TC8 (PN: G2200-86735-125)	SOW Section 9	EDC + 20 weeks	CSSC BRUNSSUM	Equipment	Each	5	-	-	
#####	Poly+, One Year, Poly Studio X50 (PN: 487P-85970-112)	SOW Section 9	Activation* + 1 year	CSSC BRUNSSUM	Equipment	Each	5	-	-	
#####	Poly Studio X30, NR, w/o TC8 (PN: G2200-86615-125)	SOW Section 9	EDC + 20 weeks	CSSC BRUNSSUM	Equipment	Each	15	-	-	
#####	Poly+, One Year, Poly Studio X30 (PN: 487P-85980-112)	SOW Section 9	Activation* + 1 year	CSSC BRUNSSUM	Equipment	Each	15	-	-	
TOTAL PRICE CLIN 2										-
Total Firm Fixed Price- Base Contract										-

EDC =	Effective Date of Contract
NSP =	Not Separately Priced
*	For the activation of the one year Poly Plus maintenance support, the following VTC codec installation schedule will be used as a reference: 13 VTC codecs per month from September 2023 to December 2024. Poly Plus maintenance support instances shall be activated as per planned VTC codec installation schedule.

CLIN Summary instruction:

Bidders are to populate all **yellow cells**. Firm fixed prices need to be provided for every CLIN, with no omissions. If Bidder decides to keep any CLIN at zero costs the reason for it has to be explained in the corresponding Comments field.

For the CLIN Summary Tab Bidders have 2 options:
 A) Columns may be added to the right of the current table; two columns "Unit Price" and "Total Firm Fixed Price" would be added for each additional currency of the bid;
 B) Bidders may duplicate the CLIN Summary tab for each currency bid.

Note: Any formulas existing in the cells are provided only to assist the bidder and ultimately all calculations are the bidder's responsibility. As such, the contractor may alter any formulas necessary to provide an accurate, clear and traceable bid as required.

Important Note: The total sum of the "Firm Fixed Price" column in this CLIN Summary sheet should equal the grand total from the "Offer Summary" tab. These totals are also required to be traceable to the totals from the details tabs (Labour+Material+Travel+ODC)= Grand Total= CLIN Summary Tab.

propagate each line or the table that contains labour with the appropriate CLIN from the drop down menu. Note that all CLINS should be accounted for and if there is no labour associated please include a line for that CLIN and indicate "No labour associated" in column C.

Identify specific labour categories used. For example: Senior Systems Engineer, Technician, Junior program analyst, etc.

Identify the applicable currency. Bidder may choose to enter multiple currencies in one sheet or duplicate the sheet for multiple currencies.

Unit Cost per MD Year 1

Unit Cost per MD Year 2

Unit Cost per MD Year 3

Unit Cost per MD Year 4

Unit Cost per MD Year 5

Use formula only, which is the total of the previous columns: "quantity x cost" for all years.

Profit calculation. Note the formula given in this column is an example only and the Bidder should enter the appropriate formula. If the contractor did not apply profit, any or all of these cells can be 0.

Fully burdened cost calculation for each labour category, which means the cost of all units including all profit and indirect rates associated with material (G/A, overhead, etc.).

If the line of effort is performed by the bidder indicate "No" in each line that is not subcontracted. If the line of effort is subcontracted indicate the company name in each line associated with its effort.

Enter profit percentage for labour in yellow cell below:

Profit -> 0%

IMPORTANT: DELETE THIS EXAMPLE ROW

Labour table instructions:
This detailed labour table is to be completed by Bidder with all columns populated and shall be expanded to include as many rows as necessary to provide the detail requested. Any unnecessary rows should be deleted (no blank entries). Bidder is required to identify for each item the CLIN it is associated with from the drop down menu. Each column should then be populated using the column- specific instructions in the first row. Bidder may not delete columns or omit information from columns, but may add columns if necessary although it's not anticipated this will be needed.

Note: Any formulas existing in the cells are provided only to help Bidder and ultimately all calculations are the Bidder's responsibility. As such, the contractor may alter any formulas necessary to provide an accurate, clear and traceable bid as required.

Important Note: The total sum of the "Fully burdened cost" column should equal the grand total labour cost to include profit as well as all indirect rates (G&A/Overhead/etc.) associated with labour. These indirect cost rates must be included in the total firm fixed price on the appropriate detailed tab but are no longer required to be broken out separately in the calculations at the bidding stage. However, Bidder is required to include the associated indirect costs in the totals of the detailed tab either:
A) in the base unit costs; or
B) shown separately by expanding the table columns to show the additional costs due to these indirect rates (similar to the way profit is calculated).

CLIN	Labour Category	Currency	Man-Days 2022	Man-Days 2023	Man-Days 2024	Man-Days 2025	Man-Days 2026	Lab-rate 2022	Lab-rate 2023	Lab-rate 2024	Lab-rate 2025	Lab-rate 2026	Extended cost	Expat Allowance (ONLY if applicable)	Profit	Fully burdened cost	Subcontracted/ Name of Subcontractor
Example: CLIN 1.1.1	Systems Engineer	Euro (EUR)	25	20	15	10	5	50.00	51.00	52.00	53.00	54.00	3,850.00		385.00	4,235.00	No
CLIN 1.1	Insert Labour category name here												-	-	0.00	0.00	
CLIN 1.2	Insert Labour category name here												-	-	0.00	0.00	
CLIN 2.1	Insert Labour category name here												-	-	0.00	0.00	
CLIN 2.2	Insert Labour category name here												-	-	0.00	0.00	
CLIN 2.3	Insert Labour category name here												-	-	0.00	0.00	
CLIN 2.4	Insert Labour category name here												-	-	0.00	0.00	
CLIN 2.5	Insert Labour category name here												-	-	0.00	0.00	
CLIN 2.6	Insert Labour category name here												-	-	0.00	0.00	
Total																0.00	

Please add as many rows as needed in the table above.

CLIN	Equipment Name	Item Description	Currency	Quantity					Unit Cost					Extended cost	Profit	Fully burdened cost	Subcontracted/ Name of Subcontractor
				2022	2023	2024	2025	2026	2022	2023	2024	2025	2026				
Example. CLIN 1.1.1	EXAMPLE: BrandX Server: TS1593	Example: HT800003 (model number)	Euro (EUR)	10	20	25	5	5	150.00	155.00	160.00	165.00	170.00	10,275.00	1,027.50	11,302.50	No
CLIN 1.1	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 1.2	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 2.1	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 2.2	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 2.3	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 2.4	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 2.5	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
CLIN 2.6	Insert Purchased Equipment name	Insert Item Description/Model number												0.00	0.00	0.00	
Total															0.00		

Please add as many rows as needed in the table above.

Enter profit percentage for material in yellow cell below:

Profit => 0%
IMPORTANT: DELETE THIS EXAMPLE ROW (Row 3) B

Material tab Instruction:
 This detailed material tab is to be completed by Bidder with all columns populated and shall be expanded to include as many rows as necessary to provide the detail requested. Any unnecessary rows should be deleted (no blank entries). Bidder is required to identify for each item the CLIN it is associated with from the drop down menu. Each column should then be populated using the column-specific instructions in the first row. Bidder may not delete columns or omit information from columns, but may add columns if necessary although it's not anticipated this will be needed.

Note: Any formulas existing in the cells are provided only to help Bidder and ultimately all calculations are the Bidder's responsibility. As such, the contractor may alter any formulas necessary to provide an accurate, clear and traceable bid as required.

Important Note: The total sum of the "Fully burdened cost" column should equal the grand total Material cost to include profit as well as all indirect rates (G&A/Overhead/Material handling/etc.) associated with material. These indirect cost rates must be included in the total firm fixed price on the appropriate detailed tab but are no longer required to be broken out separately in the calculations at the bidding stage. However, Bidder is required to include the associated indirect costs in the totals of the detailed tab either:
 A) in the base unit costs;
 or
 B) shown separately by expanding the table columns to show the additional costs due to these indirect rates (similar to the way profit is calculated).

Populate each line of the table that contains travel with the appropriate CLIN from the drop down menu. Note that all CLINS should be accounted for and if there is no travel associated please include a line for that CLIN and indicate "No travel associated" in column C.

Identify the origin and the destination of each travel.

Year of expected Travel cost.

Identify the applicable currency. Bidder may choose to enter multiple currencies in one sheet or duplicate the sheet for multiple currencies.

Number of trips.

Number of people for each trip.

Number of days per trip.

Cost per roundtrip transportation (Flight, train, etc.).

Per diem rate.

This column should only be expressed as a formula.

Profit calculation. Note the formula given in this column is an example only and the Bidder should enter the appropriate formula. **If the contractor did not apply profit, any or all of these cells can be 0.**

Calculated the Total Travel Cost.

CLIN	Origin/Destination	Year	Currency	Nr of trips	Nr of people	Nr of Days per trip	Cost per roundtrip	Per Diem	Extended cost	Profit	Total Cost
Example. CLIN 1.1.1	Rome/The Hague	2022	Euro (EUR)	4	3	5	600.00	150.00	16,200.00	810.00	17,010.00
CLIN 1.1	Insert Origin/destination								-	0.00	0.00
CLIN 1.2	Insert Origin/destination								-	0.00	0.00
CLIN 2.1	Insert Origin/destination								-	0.00	0.00
CLIN 2.2	Insert Origin/destination								-	0.00	0.00
CLIN 2.3	Insert Origin/destination								-	0.00	0.00
CLIN 2.4	Insert Origin/destination								-	0.00	0.00
CLIN 2.5	Insert Origin/destination								-	0.00	0.00
CLIN 2.6	Insert Origin/destination								-	0.00	0.00
Total											0.00

Please add as many rows as needed in the table above.

Enter profit percentage for travel in yellow cell below:

Profit => 0%

IMPORTANT: DELETE THIS EXAMPLE ROW (Row 3)!

Travel table Instructions:

This detailed Travel table is to be completed by Bidder with all columns populated and shall be expanded to include as many rows as necessary to provide the detail requested. Any unnecessary rows should be deleted (no blank entries). Bidder is required to identify for each item the CLIN it is associated with from the drop down menu. Each column should then be populated using the column- specific instructions in the first row. Bidder may not delete columns or omit information from columns, but may add columns if necessary although it's not anticipated this will be needed.

Note: Any formulas existing in the cells are provided only to help Bidder and ultimately all calculations are the Bidder's responsibility. As such, the contractor may alter any formulas necessary to provide an accurate, clear and traceable bid as required.

Important Note: The sum of the "Total cost" column on this tab should equal the grand total Travel cost to include any profit as well as all indirect rates (G&A/Overhead/etc.) associated with travel. These indirect cost rates must be included in the total firm fixed price on the appropriate detailed tab but are no longer required to be broken out separately in the calculations at the bidding stage. However, Bidder is required to include the associated indirect costs in the totals of the detailed tab either:
 A) in the base unit costs;
 or
 B) shown separately by expanding the table columns to show the additional costs due to these indirect rates as separate columns.

Populate each line of the table that contains ODC with the appropriate CLIN from the drop down menu. Note that all CLINS should be accounted for and if there is no ODC associated please include a line for that CLIN and indicate "No ODC associated" in column C.

Identify the applicable currency. Bidder may choose to enter multiple currencies in one sheet or duplicate the sheet for multiple currencies.

Unit type, (MD's, lot, etc.)
Number of units. Unit cost.

This column should only be expressed as a formula.

Profit calculation (if applicable).
Note: The formula given in this column is an example only and the bidder should enter the appropriate formula.
If the contractor did not apply profit, any or all of these cells can be 0.

Total ODC cost calculation.

CLIN	Item Name	Item Description	Year	Currency	Unit Type	Quantity	Unit cost	Extended cost	Profit	Total Cost
Example. CLIN 1.1.1	Shipping	Shipping USA to BRU	2022	Euro (EUR)	Lot	2	3,000.00	6,000.00	300.00	6,300.00
CLIN 1.1	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 1.2	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 2.1	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 2.2	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 2.3	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 2.4	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 2.5	Insert Other Direct Cost item							0.00	0.00	0.00
CLIN 2.6	Insert Other Direct Cost item							0.00	0.00	0.00
Total										0.00

Please add as many rows as needed in the table above.

Enter profit percentage for ODC in yellow cell below:

Profit => 0%

IMPORTANT: DELETE THIS EXAMPLE ROW (Row 3)

ODC table Instructions:

This detailed ODC table is to be completed by Bidder with all columns populated and shall be expanded to include as many rows as necessary to provide the detail requested. Any unnecessary rows should be deleted (no blank entries). Bidder is required to identify for each item the CLIN it is associated with from the drop down menu. Each column should then be populated using the column- specific instructions in the first row. Bidder may not delete columns, or omit information from columns, but may add columns if necessary although it's not anticipated this will be needed.

Note: Any formulas existing in the cells are provided only to help Bidder and ultimately all calculations are the Bidder's responsibility. As such, the contractor may alter any formulas necessary to provide an accurate, clear and traceable bid as required.

Important Note: The sum of the "Total cost" column on this tab should equal the grand total ODC cost to include any profit as well as all indirect rates (G&A/Overhead/etc.) associated with ODCs. These indirect cost rates must be included in the total firm fixed price on the appropriate detailed tab but are no longer required to be broken out separately in the calculations at the bidding stage. However, Bidder is required to include the associated indirect costs in the totals of the detailed tab either:

- A) in the base unit costs;
- or
- B) shown separately by expanding the table columns to show the additional costs due to these indirect rates as separate columns.

Enter the name of the Rate here (G&A, Overhead, etc.)		
Enter a rate description for non-standard rate categories		
		Enter the rate percentage
Rate Name	Rate description*	Percentage
[Insert Rate Name]		0%
[Insert Rate Name]		0%
[Insert Rate Name]		0%

***Note: rate description only needed if this is a rate not included in the list below:**

- Overhead
- Fringe
- General & Administrative
- Material Handling
- Profit- Labour
- Profit- Material

EXAMPLE ONLY:		
Name of Rate	Rate description	
Fringe		2%
Overhead		2%
G&A		2%
ABC rate (company specific)	In the case of non-standard rates include a description	x%

Instructions:

Although the rates in this tab do not need to be linked to calculations for purposes of the bid, it is required that Bidders list any and all rates included in their bid to include (but not limited to): Overhead, Labour Fringe, Material handling, General & Administrative, Profit, etc.

PROSPECTIVE CONTRACT

RFQ-CO-115785-VTC

PROVISION OF VTC CODECS



RFQ-CO-115785-VTC Schedule of Supplies and Services							
CLIN	DESCRIPTION	SOW Reference	Quantity	Unit Price	Extended Price	Delivery Date	Delivery Site
1.0	Project Activities						
1.1	Project Management, Documentation, ILS, shipment, standard warranty, etc.	SOW Sections 3 to 8	LOT			EDC till end of warranty	As required
1.2	Final Acceptance (FA)	SOW Sections 3 to 8			NSP	EDC +20 weeks	As required
	TOTAL CLIN 1						
2.0	Equipment Delivery						
2.1	Poly G7500 codec, no radio, codec only (PN: G7200-87340-125)	SOW Section 9	191			EDC + 20 weeks	CSSC BRUNSSUM
2.2	Poly+, One Year, Poly G7500 4k Base Unit (PN: 487P-85860-112)	SOW Section 9	191			Activation* + 1 year	CSSC BRUNSSUM
2.3	Poly Studio X50, NR, w/o TC8 (PN: G2200-86735-125)	SOW Section 9	5			EDC + 20 weeks	CSSC BRUNSSUM
2.4	Poly+, One Year, Poly Studio X50 (PN: 487P-85970-112)	SOW Section 9	5			Activation* + 1 year	CSSC BRUNSSUM
2.5	Poly Studio X30, NR, w/o TC8 (PN: G2200-86615-125)	SOW Section 9	15			EDC + 20 weeks	CSSC BRUNSSUM
2.6	Poly+, One Year, Poly Studio X30 (PN: 487P-85980-112)	SOW Section 9	15			Activation* + 1 year	CSSC BRUNSSUM
	TOTAL CLIN 2						
	GRAND TOTAL FIRM FIXED PRICE CLINs 1 and 2						
EDC =	Effective Date of Contract						
NSP =	Not Separately Priced						
*	For the activation of the one year Poly Plus maintenance support, the following VTC codec installation schedule will be used as a reference: 13 VTC codecs per month from September 2023 to December 2024. Poly Plus maintenance support instances shall be activated as per planned VTC codec installation schedule.						

NATO UNCLASSIFIED

RFQ-CO-115785-VTC

CONTRACT SPECIAL PROVISIONS

NATO UNCLASSIFIED

**CONTRACT SPECIAL PROVISIONS
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ARTICLE 1 ORDER OF PRECEDENCE

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

ARTICLE 2 DISPOSITION OF CHANGES TO THE CONTRACT GENERAL PROVISIONS

- 2.1 Article 5 "Firm Fixed Price Contract" of the Contract Special Provisions replaces Article 7 "Firm Fixed Price Contract" of the Contract General Provisions.
- 2.2 Article 7 "Participating Countries" of the Contract Special Provisions supplements Article 9 "Participating Countries" of the Contract General Provisions.
- 2.3 Article 8 "Comprehension of Contract and Specifications" of the Contract Special Provisions supplements Article 4 "Approval and Acceptance of Contract Terms" of the Contract General Provisions.
- 2.4 Article 10 "Inspection and Acceptance" of the Contract Special Provisions supplements Article 21 "Inspection and Acceptance of Work" of the Contract General Provisions.
- 2.5 Article 11 "Ownership and Title" of the Contract Special Provisions supplements Article 24 "Ownership and Title" of the Contract General Provisions.
- 2.6 Article 12 "Invoices and Payment" of the Contract Special Provisions supplements Article 25 "Invoices and Payment" of the Contract General Provisions.
- 2.7 Article 14 "Warranty" of the Contract Special Provisions supplements Articles 27 "Warranty of Work" and 31 "Software Warranty" of the Contract General Provisions.
- 2.8 Article 17 "Sub-Contractors" of the Contract Special Provisions supplements Article 10 "Sub-Contracts" of the Contract General Provisions.
- 2.9 Article 19 "Liquidates Damages" of the Contract Special Provisions replaces Article 38 "Liquidated Damages" of the Contract General Provisions
- 2.10 Article 27 "Notice of Authorized Disclosure of Information for Mandated NATO Third Party Audits by Resource Committees" of the Contract Special Provisions supplements Article 28 "Right of Access, Examination of Records" of the Contract General Provisions.

- 2.11 Article 8 “Performance Guarantee” of the Contract General Provisions is not applicable.

ARTICLE 3 SCOPE

- 2.1 The scope of this Contract pertains to the provision of VTC CODECs as described in the Schedule of Supplies and Services (SSS) and Statement of Work (SOW).
- 2.2 The Agreement and Acceptance of this Contract by the Parties neither implies an obligation on either part to extend the Contract beyond the specified scope or terms, nor to prohibit the Parties from mutually negotiating modifications thereto.

ARTICLE 4 DURATION OF CONTRACT

- 4.1 The present Contract covers the totality of the requirements as covered by the Schedule of Supplies and Services (SSS) and the Statement of Work (SOW) with the exception of the Options (if any), unless those options are formally exercised and funded in accordance with the prescriptions of ARTICLE 6 “Additional Contract Tasks and Options”.
- 4.2 The work under the Contract shall commence on effective date of Contract shown on the signature page and be completed in accordance with the Schedule of Supplies and Services (SSS) and Statement of Work (SOW).

ARTICLE 5 FIRM FIXED PRICE CONTRACT

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

ARTICLE 6 ADDITIONAL CONTRACT TASKS AND OPTIONS

- 6.1 The tasks identified in the Contract Schedule of Supplies and Services as Options (if any) are to be intended as options to be exercised by the Purchaser at his sole discretion. The Purchaser shall have the right to exercise any of the listed priced options multiple times at his discretion any time during the performance of the Contract and up to its conclusion at the unit prices listed in the Schedule of Supplies and Services.
- 6.2 Should any options be exercised, the Purchaser will increase the firm fixed price of the Contract via a formal Contract Amendment by the amount of the line items so exercised and the period of performance of the Contract will be extended as mutually agreed when necessary.

- 6.3 In no event shall the Contractor engage in the performance of any options or part thereof without the written consent of the Purchaser Contracting Authority.
- 6.4 In addition to the specific Contract options as identified above, the Purchaser reserves the right to order any foreseeable or additional Contract tasks or service deliverables, listed or not, either occasionally or at a further stage in the life of the project, which it deems necessary for the successful completion of the project. The additional tasks and/or deliverables shall be priced consistently with the rates and prices provided by the Contractor as part of its offer and included in this Contract by reference.
- 6.5 Except as otherwise provided for in this Contract, Contractor's price quotations for contract changes or modifications shall be provided at no cost to the Purchaser and shall have a minimum validity period of six (6) months from submission.
- 6.6 The Purchaser may, in writing, place an order for such additional tasks throughout the entire Contract period. Such an order may be placed within the framework of this Contract via the issuance of a Contract Amendment or be formulated via the issuance of a new contractual instrument

ARTICLE 7 PARTICIPATING COUNTRIES

- 7.1 The Contractor may issue subcontracts to firms and purchase from qualified vendors in any contributory NATO nations in the project, namely, (in alphabetical order):

ALBANIA, BELGIUM, BULGARIA, CANADA, CROATIA, CZECH REPUBLIC, DENMARK, ESTONIA, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, MONTENEGRO, NETHERLANDS, NORTH MACEDONIA, NORWAY, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, SPAIN, TURKEY, UNITED KINGDOM, UNITED STATES OF AMERICA.
- 7.2 None of the work, including project design, labor and services, shall be performed other than by firms from and within Participating Countries.
- 7.3 No material or items of equipment down to and including identifiable sub-assemblies shall be manufactured or assembled by a firm other than from and within a Participating Country.
- 7.4 The Intellectual Property Rights for all software and documentation used by the Contractor in the performance of the Contract shall vest with firms from and within Participating Countries and no royalties or license fees for such software and documentation shall be paid by the Contractor to any source that does not reside within a Participating Country.

ARTICLE 8 COMPREHENSION OF CONTRACT AND SPECIFICATIONS

- 8.1 The Contractor warrants that it has read, understood and agreed to each and all terms, Articles, specifications and conditions specified in the Contract and that this signature of the Contract is an acceptance, without reservations, of the said Contract terms within their normal and common meaning.

- 8.2 The specifications set forth the performance requirements for the Contractor's proposed work as called for under this Contract. Accordingly, notwithstanding any conflict or inconsistency which hereafter may be found between achievement of the aforesaid performance requirements and adherence to the Contractor's proposed design for the work, the Contractor hereby warrants that the work to be delivered will meet or exceed the performance requirements of the said specifications.
- 8.3 The Contractor hereby acknowledges that it has no right to assert against the Purchaser, its officers, agents or employees, any claims or demands with respect to the aforesaid specifications as are in effect on the date of award of this Contract.
- a. Based upon impossibility of performance, defective, inaccurate, impracticable, insufficient or invalid specifications, implied warranties of suitability of such specifications, or
 - b. Otherwise derived from the aforesaid specifications, and hereby waives any claims or demands so based or derived as might otherwise arise.
- 8.4 Notwithstanding the "Changes" Article of General Provisions or any other Article of the Contract, the Contractor hereby agrees that no changes to the aforesaid specifications which may be necessary to permit achievement of the performance requirements specified herein for the Contractor's proposed work shall entitle the Contractor either to any increase in the firm fixed price as set forth in this Contract or to any extension of the delivery times for the work beyond the period of performance in the Schedule of Supplies and Services.

ARTICLE 9 PLACE AND TERMS OF DELIVERY

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

ARTICLE 10 INSPECTION AND ACCEPTANCE

- 10.1 Article 21 "Inspection and Acceptance of Work" in the Contract General Provisions is hereby supplemented with this Article:
- 10.2 Under the terms of this Contract, Acceptance will be made as follows and as specified in Part IV, Statement of Work (SOW):
- 1. Acceptance:
 - a. Successful Delivery
 - b. Successful Inspection
 - 2. Final Acceptance
- 10.3 Review and Acceptance of documentation is specified in Article 22 of the Contract General Provisions.

ARTICLE 11 OWNERSHIP AND TITLE

- 11.1 Article 24 “Ownership and Title” of the Contract General Provisions is supplemented by the following:
- 11.2 Ownership and Title of the works delivered under CLINs 1 and 2 of this Contract will pass to the Purchaser upon Final Acceptance, confirmed in writing by the Purchaser at which time Warranty and Support will start.

ARTICLE 12 INVOICES AND PAYMENT

- 12.1 Following Purchaser acceptance, in writing, payment for supplies and services furnished shall be made in the currency specified for the relevant portion of the Contract.
- 12.2 The term of the Contract may not be exceeded without prior approval of the Purchaser. In no case will the Purchaser make payment above the total of the corresponding CLINs.
- 12.3 Invoices in respect of any service and/or deliverable shall be prepared and submitted as specified hereafter and shall contain:
 - a) Contract number CO-115785-VTC
 - b) Contract Amendment number (if any),
 - c) Purchase Order number PO [...],[TBC]
 - d) The identification of the performance rendered in terms of Contract Line Item Number (CLIN),
 - e) Bank account details for international wire transfers (SWIFT, BIC, IBAN).
- 12.4 The Contractor shall be entitled to submit invoices in accordance with the following payment events schedule:

CLIN(s)	Payment Milestone	Upon	Payment value
1	Successful Acceptance upon delivery	Written Purchaser confirmation of successful inspection	60% of the total Contract value
2	Successful Final Acceptance	Written Purchaser confirmation of successful Final Acceptance	20% of the total Contract value
3	Completion of warranty	Confirmation of completion of 1 year warranty/Poly+ support	20% of the total Contract value
4	Optional CLINs	Subject to Contract Amendment(s)	

- 12.5 The invoice amount shall be exclusive of VAT and exclusive of all Taxes and Duties as per Article 26 “Taxes and Duties” of the NCI Agency General Provisions.
- 12.6 No payment shall be made with respect to undelivered supplies, works not performed, services not rendered and/or incorrectly submitted invoices.
- 12.7 No payment shall be made for additional items delivered that are not specified in the contractual document.

- 12.8 Payments for services and deliverables shall be made in the currency stated by the Contractor for the relevant Contract Line Item.
- 12.9 The Purchaser is released from paying any interest resulting from any reason whatsoever.
- 12.10 The invoice shall contain the following certificate:
"I certify that the above invoice is true and correct, that the delivery of the above described items has been duly effected and/or that the above mentioned services have been rendered and the payment therefore has not been received."
- 12.11 The certificate shall be signed by a duly authorised company official on the designated original.
- 12.12 Invoices referencing : **CO-115785-VTC and PO [TBD at Contract award]** shall be submitted in electronic format only to:
accountspayable@ncia.nato.int
Whilst copying the Contracting Officer as well, as specified in Article 13 "Contract Administration" below.
- 12.13 NCI Agency will make payment within 45 days of receipt by the NCI Agency of a properly prepared and documented invoice.

ARTICLE 13 SUPPLEMENTAL AGREEMENTS, DOCUMENTS AND PERMISSIONS

- 13.1 The Contractor has submitted all relevant draft supplemental agreement(s), documents and permissions prior to Contract award, the execution of which by the Purchaser is/are required by national law or regulation. If any supplemental agreements, documents and permissions are introduced after Contract award, and it is determined that the Contractor failed to disclose the requirement for the execution of such agreement from the Purchaser prior to Contract signature, the Purchaser may terminate this Contract for Default, in accordance with the Article 39 of the General Provisions hereafter.
- 13.2 Supplemental agreement(s), documents and permissions, the execution of which by the Purchaser is/are required by national law or regulation and that have been identified by the Contractor prior to the signature of this Contract, but have not yet been finalized and issued by the appropriate governmental authority, are subject to review by the Purchaser.
- 13.3 If such supplemental agreement(s), documents and permissions are contrary to cardinal conditions of the signed Contract between the Parties, and the Purchaser and the appropriate governmental authority cannot reach a mutual satisfactory resolution of the contradictions, the Purchaser reserves the right to terminate this Contract and the Parties agree that in such case the Parties mutually release each other from claim for damages and costs of any kind, and any payments received by the Contractor from the Purchaser will be refunded to the Purchaser by the Contractor.
- 13.4 For the purpose of this Contract the following National mandatory Supplemental Agreements are identified:

Type of Agreement	National Authority of Reference	Subject

ARTICLE 14 WARRANTY

- 14.1 Articles 27 “Warranty of Work” and 31 “Software Warranty” of the Contract General Provisions hereafter, are supplemented with the following:
- 14.2 Warranty shall start after Purchaser confirmed Final Acceptance, as described in the SOW, and shall be the standard warranty with a minimum duration of (1) one calendar year(s) for all hardware, software and for all services to be provided as part of this Contract. Until successful Final Acceptance, all hardware and software to be provided under this Contract shall be under the Contractor’s responsibility.
- 14.3 Notwithstanding inspection and acceptance by the Purchaser or its appointed agents of supplies furnished under the Contract or any provision of this Contract concerning the conclusiveness thereof, the Contractor warrants for the total duration of the above referred period and covering all items of hardware and software, that:
 - a. all deliverables furnished under this Contract shall be free from defect and will conform with the specifications and all other requirements of this Contract; and,
 - b. the installation will, under normal conditions, perform without errors which make it unusable; and
 - c. the preservation, packaging, packing and marking and the preparation for and method of, shipment of such supplies will conform to the requirements of this Contract.
- 14.4 The Purchaser will inform the Contractor in writing of any defect within 14 calendar days after its discovery and the circumstances of its discovery. The Contractor shall respond to a defect notification as described in the SOW, by engaging with the Purchaser’s personnel to identify the cause of the defect and to agree a resolution approach. The resolution of defects remains the Contractor’s responsibility within the warranty and support services period as specified in the SOW.
- 14.5 The Contractor shall, at his option, repair, adjust or replace defective equipment and restore to the Purchaser equipment, which functions in accordance with the requirements of the Contract at no additional cost to the Purchaser.
- 14.6 In the event of the Contractor’s failure to repair or replace failed equipment within the timeframes expressed in this Article, the Purchaser will have the right, at his discretion, and having given the Contractor due notice, to:
 - a. remedy, or have remedied, the defective or non-conforming supplies, in both cases at the Contractor’s expenses;

- b. equitably reduce the Contract price; and/or
 - c. terminate for default that portion of the Contract relating to the defective work.
- 14.7 This right will be exercised although other contractual obligations remain in force. In the event that it is later determined that such supplies were found not to be defective or non-conforming within the provision of this Article, an equitable adjustment will be made. Failure to reach such an equitable adjustment will be considered a dispute under the Contract and subject to resolution in accordance with the Clause 17 "Disputes and arbitration" of the Contract General Provisions.
- 14.8 Unless otherwise provided in this Contract, the Purchaser, upon delivery to him of any Supplies under this Contract, 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 Supplies are consumed in the performance of this Contract.

ARTICLE 15 CONTRACT ADMINISTRATION

- 15.1 The Purchaser reserves the right to re-assign this Contract to a representative(s) for administrative purposes, in whole or in part, provided that the Purchaser shall always be responsible for its obligations under the Contract and for actions or lack of actions of its assigned administrator. The Purchaser undertakes to advise the Contractor in writing whenever this right is to be exercised.
- 15.2 All notices and communications between the Contractor and the Purchaser shall be written and conducted in the English language. Contract modifications shall only be valid when received in writing from the General Manager, NCI Agency, and/or the NCI Agency Contracting Authority.
- 15.3 Formal letters and communications shall be sent by e-mail to the official Points of Contact quoted in this Contract.
- 15.4 Informal notices and informal communications may be exchanged by all communication means, including telephone and e-mail. All informal communication must be confirmed by a formal letter or other formal communication to be contractually binding.
- 15.5 All notices and communications shall be effective on receipt.
- 15.6 Official Points of Contact:

Purchaser	Contractor
NATO Communications and Information Agency (NCI Agency) Boulevard Leopold III B-1110 Brussels Belgium	

For contractual matters: Attn: Title: Tel: E-mail:	For contractual matters: Attn: Title: Tel: Mobile: E-mail:
For technical/project management matters (Purchaser Technical Representative): Attn: Title: Tel: E-mail:	For technical/project management matters: Attn: Title: Tel: Mobile: E-mail:

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

ARTICLE 16 TECHNICAL DIRECTION

- 16.1 Technical Direction of the Contract is the responsibility of the Project Manager above, and his/her on-site representative(s) specified in the Statement of Work. Neither the Project Manager nor the Purchaser’s on-site representative(s) have the authority to change the terms of the Contract or to increase the overall cost, supplies or services of the Contract. The Technical Representatives do have the authority, within the general scope of work, to provide direction to the Contractor personnel in performance of their duties.
- 16.2 In case the Contractor believes that any technical direction received from the Technical Representative constitutes a change to the terms, conditions and/or specifications of the Contract, it shall immediately inform in writing the Purchaser Contracting Authority, who will either confirm or revoke such direction. If such direction is confirmed as a change, this change will be formalized by written amendment to the Contract pursuant to Clause 16 “Changes” of the Contract General Provisions.
- 16.3 Failure of the Contractor to notify the Purchaser Contracting Authority of direction constituting change of the Contract will result in a waiver of any claims pursuant to such change.

ARTICLE 17 SUB-CONTRACTORS

- 17.1 Articles 10 “Sub-Contracts” of the General Provisions hereafter, are supplemented with the following:
- 17.2 The Contractor shall not place sub-contracts outside the Participating Countries unless prior authorization of the Purchaser has been obtained. Such authorization will not be granted when the sub-contract involves the carrying out of classified work.

ARTICLE 18 CONTRACTOR COTS RESPONSIBILITY

- 18.1 The Contractor shall monitor changes and/or upgrades to commercial off the shelf (COTS) hardware or software to be provisioned under subject Contract as defined in the SOW.
- 18.2 The Contractor shall guarantee that the COTS items will not be impacted by obsolescence issues in terms of support within 5 years of Final Acceptance.

ARTICLE 19 LIQUIDATED DAMAGES

- 19.1 This Article replaces Article 38 "Liquidated Damages" of the Contract General Provisions.
- 19.2 If the Contractor fails to:
- a) successfully meet the required performance dates as defined in the Schedule of Supplies and Services, or any extension thereof, or
 - b) deliver and obtain acceptance of the Deliverables or to acceptably perform the services as specified in the Schedule of Supplies and Services to this Contract,
- 19.3 the actual damage to the Purchaser for the delay will be difficult or impossible to determine. Therefore, in lieu of actual damages, the Contractor shall pay to the Purchaser, for each day of delinquency in achieving the requirements of 19.1.a and 19.1.b, fixed and agreed liquidated damages of 0.1% (one tenth of per cent) per day of the total payment amount for each Payment Event as scheduled in 12.4 of the Contract Special Provisions.
- 19.4 In addition, the Purchaser may terminate this contract in whole or in part as provided in Clause 39 "Termination for Default" of Contract General Provisions. In the event of such a termination, the Contractor shall be liable for Liquidated Damages accruing to the date of termination, as well as the excess costs stated in the referred clause.
- 19.5 The Contractor shall not be charged with liquidated damages when the delay arises out of causes beyond the control and without the fault or negligence of the Contractor as defined in Clause 39 "Termination for Default" of the Contract General Provisions. In such event, subject to the provisions of the Disputes and Arbitration Clause, the Purchaser shall ascertain the facts and extent of the delay and shall extend the time for performance of the contract when in his judgment the findings of fact justify an extension.
- 19.6 Liquidated damages shall be payable to the Purchaser from the first day of delinquency in delivery and shall accrue at the rate specified in paragraphs above to a maximum of Fifteen (15%) of the total payment amount for each Payment Event as scheduled in Article 12. Cumulative assessed Liquidated Damages will not exceed Fifteen Percent (15%) of the total value of the Contract.
- 19.7 The amount of Liquidated Damages due by the Contractor shall be recovered by the Purchaser in the following order of priority:
- a. By deducting such damages from the amounts due to the Contractor against the Contractor's invoices.

- b. By proceeding against any surety or deducting from the Performance Guarantee if any.
 - c. By reclaiming such damages through appropriate legal remedies.
- 19.8 The rights and remedies of the Purchaser under this clause are in addition to any other rights and remedies provided by law or under this Contract.

ARTICLE 20 SOFTWARE

- 20.1 The Purchaser reserves the right to exclude from the awarded Contract the purchase of software licenses for which NATO has established centralized contracts. In this case, the Contract terms, schedule and prices will be modified accordingly, and the software licenses will be provided to the Contractor in the form of "Purchaser Furnished Property".

ARTICLE 21 INDEMNITY

- 21.1 The Contractor will indemnify and hold harmless NATO and its servants or agents, against any liability, loss or damage arising out of or in connection of the Deliverables and Services under this Contract, including the provisions set out in Articles 29 "Patent and Copyright indemnity" and 30 "Intellectual Property" of the NCI Agency General Provisions.
- 21.2 The Contractor will indemnify NATO and its servants or agents, against claims made against NATO and its servants or agents, by their personnel, and their sub-Contractors (including their personal representatives) in respect of personal injury or death of such personnel or loss or destruction of or damage to the property of such personnel.
- 21.3 The Contractor will consult with the Agency over the handling of any claim or action to which the provisions of this Article may be relevant and will consult with the Agency over the handling of any such claim and conduct of any such action and will not without prior consultation and without the concurrence of the Agency settle or compromise any such claim or action.
- 21.4 In the event of an accident resulting in loss, damage, injury or death arising from negligence or willful intent of an agent, officer or employee of NATO for which the risk has been assumed by the Contractor, the Contractor shall involve the Agency in any investigation into the cause of the accident.

ARTICLE 22 INDEPENDENT CONTRACTOR

- 22.1 The Personnel provided by the Contractor in response to this Contract are at all times employees of the Contractor and not the Purchaser. In no case shall Contractor personnel act on behalf of or as an agent for NATO or any of its bodies. In no way shall the Contractor personnel claim directly or indirectly to represent NATO in an official capacity or claim themselves to be NATO employees.

ARTICLE 23 APPLICABLE REGULATIONS

- 23.1 The Contractor shall be responsible for obtaining permits or licenses to comply with national codes, laws and regulations or local rules and practices in the country of performance under this Contract.

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

ARTICLE 24 AUDITING AND ACCOUNTING

- 24.1 The Contractor's accounting and auditing procedures under this Contract shall be in compliance with the applicable Contractor National standards governing these type of contracts.
- 24.2 The invoicing and payment procedures for the amount payable to the Contractor shall be in accordance with the prescription of Article 12 "Invoices and Payment" of the Contract Special Provisions.
- 24.3 In the event of this Contract being terminated in accordance with Article 40 "Termination for Convenience of the Purchaser" of the Contract General Provisions, the Contractor shall provide within ninety (90) days of the formal date of termination a detailed statement of all costs incurred since the initiation of the programme, together with the statement of all outstanding commitments for which the Contractor is legally liable.

ARTICLE 25 FORCE MAJEURE

- 25.1 The "Force Majeure" means the occurrence of an event or circumstance that prevents a Party (the "Affected Party") from performing one or more of its contractual obligations under the Contract, provided that: (i) it renders performance impossible; (ii) it is beyond the Affected Party's reasonable control and without the Affected Party's cause, fault or negligence; (iii) by its nature it could not have been reasonably foreseen at the time of conclusion of the Contract; and (iv) the effects of it could not reasonably have been avoided or overcome by the Affected Party.
- 25.2 Examples of Force Majeure, provided conditions (i)-(iv) of paragraph [1] are all fulfilled, include:
- war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilisation;
 - civil war, riot, rebellion and revolution, usurped power, insurrection, act of terrorism, sabotage or piracy;
 - currency and trade restriction, embargo, sanction;
 - act of authority whether lawful or unlawful, compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalisation;
 - plague, epidemic, natural disaster or extreme natural event;
 - explosion, fire, destruction of equipment, prolonged break-down of transport, telecommunication, information system or energy; and

general labour disturbance such as boycott, strike and lock-out, go-slow, occupation of factories and premises.

- 25.3 The Affected Party must give the other party to the Contract (the "Other Party") written notice without delay detailing the occurrence and its expected duration. The Other Party shall within a reasonable time respond, stating whether it accepts or rejects the occurrence as Force Majeure.
- 25.4 If the Other Party accepts the occurrence as Force Majeure, the Contract shall remain in force but the Parties will be relieved from performance of their obligations (including payment) under Contract, from the date at which the Other Party received written notice, for so long as the effects of Force Majeure continue or for ninety (90) days, whichever is the shorter, provided that:
- the Affected Party makes all reasonable efforts to limit the effects of Force Majeure upon performance and to avoid or overcome the effects of Force Majeure;
 - the suspension of performance is of no greater scope than is necessitated by Force Majeure;
 - the Affected Party continues to furnish weekly updates by email while the effects of Force Majeure continue detailing reasonable efforts made in accordance with [4.1], and notifies the Other Party immediately when the effects of Force Majeure are avoided or overcome, or cease, and resumes performance immediately thereafter.
- 25.5 Neither Party shall be in breach of the Contract nor liable for delay in performing, or for failing to perform, its obligations under the Contract, due to Force Majeure.
- 25.6 Unless otherwise agreed by the Parties, if Force Majeure continues for more than ninety (90) days, the Parties may agree: (a) to a revised delivery schedule at no cost; (b) to a reduction of scope terminating part of the contract at no cost; or (c) to terminate the whole of the Contract at no cost.

ARTICLE 26 TRANSPORTATION OF EQUIPMENT

- 26.1 All supplies covered under this Contract shall be transported from and to final destination at the responsibility of the Contractor, unless specified differently in the SOW. The Purchaser shall not be liable for any storage, damage, accessorial or any other charges involved in such transporting of supplies.
- 26.2 All transportation costs of repaired/replaced items shall be at cost to the Contractor.

ARTICLE 27 NOTICE OF AUTHORIZED DISCLOSURE OF INFORMATION FOR MANDATED NATO THIRD PARTY AUDITS BY RESOURCE COMMITTEES

- 27.1 This Article supplements Article 28 "Rights of access, examination of records" of the Contract General Provisions.
- 27.2 (a) Definitions. As used in this clause -
- Resource Committees means committees under the North Atlantic Council (NAC) that are responsible, within the broad policy guidance provided by the Resource Policy and Planning Board (RPPB) on matters of resource

allocation, for the implementation of the NATO Security Investment Programme (NSIP) or Budget/Civil budgets.

Mandated Third Party Audits means audits mandated by a resource committee.

Third Party Auditor means an independent, external audit body for NATO such as the International Board of Auditors for NATO (IBAN) or an appointed private contractor (including its experts, technical consultants, subcontractors, and suppliers) providing audit support under a Resource Committee Appointment based on an agreed mandate.

Sensitive information means information of a commercial, financial, technical, proprietary, or privileged nature. The term does not include information that is lawfully, publicly available without restriction.

- 27.3 (b) The Purchaser may disclose to a mandated third party auditor, for the sole purpose of audit support activities, any information, including sensitive information, received
- (1) Within or in connection with a bid, quotation or offer; or
 - (2) In the performance of or in connection with a contract.
- 27.4 (c) Flowdown. Include the substance of this clause, including this paragraph (c), in all subcontracts, including subcontracts for commercial items.

ARTICLE 28 NCI AGENCY SUPPLIER CODE OF CONDUCT

- 28.1 The NCI Agency has a Supplier Code of Conduct (SCoC) located at <https://www.ncia.nato.int/business/do-business-with-us/code-of-conduct.html> and it constitutes part of this contract.
- 28.2 This SCoC sets standards and practices for suppliers and their subcontractors to adhere to when doing business with the NCI Agency in the areas of labour rights, human rights, data protection, ethical conduct and the environment. It contains fundamental, basic principles that any supplier based in a NATO country should already be operating in compliance with.
- 28.3 In the event of any inconsistency in language, terms or conditions with the Contract General Provisions, the Contract General Provisions takes precedence.

NATO UNCLASSIFIED

**NATO COMMUNICATIONS AND INFORMATION
AGENCY**



CONTRACT GENERAL PROVISIONS

V 1.0 dated 16 Oct 2014

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

1. ORDER OF PRECEDENCE

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

- 1.1. The Signature Page;
- 1.2. The Contract Schedules, Part I;
- 1.3. The Contract Contract Special Provisions, Part II;
- 1.4. The Contract General Provisions, Part III;
- 1.5. The Statement of Work, Part IV of the Contract;
- 1.6. The Annexes to the Statement of Work.

2. DEFINITIONS OF TERMS AND ACRONYMS

- 2.1 **Assembly-** An item forming a portion of equipment that can be provisioned and replaced as an entity and which normally incorporates replaceable parts or groups of parts.
- 2.2 **Acceptance-** Acceptance is the act by which the Contracting Authority recognises in writing that the delivered Work meets the Contract requirements..
- 2.3 **Claims-** A written demand or written assertion by one of the Parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Contract terms, or other relief arising under or in relation to this Contract.
- 2.4 **Clause-** A provision of the Special or General Provisions of this Contract.
- 2.5 **Codification Authority-** The National Codification Bureau (NCB) or authorised agency of the country in which the Work is produced.
- 2.6 **Commercial Off-the-Shelf Items (COTS)-** The term “Commercially Off-the-Shelf Item (COTS)” means any item that:is a commercial item, customarily used by the general public, that has been sold, leased, or licensed to the general public or has been offered for sale, lease or license to the general public;
 - a) is sold in substantial quantities in the commercial marketplace; and
 - b) is offered to the Purchaser, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace.
- 2.7 **Component-** A part or combination of parts, having a specific function, which can be installed or replaced only as an entity.

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- 2.8 **Contractor Background IPR-** Any IPR owned by the Contractor and/or any Sub-contractor or licensed by a third party to the Contractor which is not created in relation to or as the result of work undertaken for any purpose contemplated by the Contract and which is needed for the performance of the Contract or for the exploitation of Foreground IPR.
- 2.9 **Correction-** Elimination of a Defect.
- 2.10 **Contract-** The agreement concluded between the Purchaser and Contractor, duly signed by both contracting parties. The Contract includes the documents referred to in Clause 1 (Order of Preference).
- 2.11 **Contracting Authority-** The General Manager of the NCI Agency, the Director of Acquisition, the Chief of Contracts of the NCI Agency or the authorised representatives of the Chief of Contracts of the NCI Agency.
- 2.12 **Contractor-** The person or legal entity from a Participating Country which has signed this Contract and is a Party thereto.
- 2.13 **Day-** A calendar day
- 2.14 **Defect-** Any condition or characteristic in any Work furnished by the Contractor under the Contract that is not in compliance with the requirements of the Contract.
- 2.15 **Deliverable-** Any and all goods (including movable and immovable goods) to be delivered pursuant to the terms of this Contract including, without limitation, building, raw materials, components, intermediate Assemblies, Parts, end products, equipment, documentation, data, software.
- 2.16 **Design Defect-** Defect attributable to incompatibility, unsuitability or erroneous application of theory, drawings or formula.
- 2.17 **Effective Date of Contract (or "EDC")-** The date upon which this Contract is deemed to start. Unless otherwise specified, a Contract enters into force on the date of the last signature of the Contract by the Parties.
- 2.18 **Failed Component-** A part or combination of parts, having a specific function, which can be installed or replaced only as an entity which ceases to perform in a manner consistent with its intended use and specifications of the Contract.
- 2.19 **Foreground IPR -** Any IPR created by the Contractor or any subcontractor of the Contractor in the course of or as the result of work undertaken for any purpose contemplated by the Contract.
- 2.20 **IPR-** Any intellectual property rights of any qualification irrespective of their stage of development or finalisation, including but not limited to patents, trademarks (registered or not), designs and models (registered or not) and applications for the same, copyright (including on computer software), rights in databases, know-how, confidential information and rights in records (whether or not stored on computer) which includes technical and other data and documents.

- 2.21 **Manufacturing Defect-** Defect attributable to improper manufacturing processes, testing or quality control procedures.
- 2.22 **NATO-** The North Atlantic Treaty Organisation. For the purpose of this contract, the term NATO includes NATO bodies, the NATO military command structure, agencies and NATO nations.
- 2.23 **NCI AGENCY-** The NATO Communications and Information Agency. The NCI Agency is part of the NCIO. The General Manager of the Agency is authorised to enter into contracts on behalf of the NATO CI Organisation.
- 2.24 **NATO COMMUNICATIONS AND INFORMATION ORGANISATION (NCIO)-** The NATO Communications and Information Organisation. The NCI Organisation constitutes an integral part of the North Atlantic Treaty Organisation (NATO) The NCI Organisation is the legal personality from whence flows the authority of its agent, the NCI Agency, to enter into contracts.
- 2.25 **NATO Purposes-** Activities conducted by or on behalf of NATO to promote the common defence and common interests of NATO, such as, among others, NATO operations, NATO procurement, NATO training and NATO maintenance.
- 2.26 **Part-** An item of an assembly or sub-assembly, which is not normally further broken down.
- 2.27 **Participating Country-** A NATO member country that participates in financing the effort.
- 2.28 **Parties-** The Contracting Parties to this Contract, i.e., the Purchaser and the Contractor.
- 2.29 **Purchaser-** The NCI Organisation, as represented by the General Manager, NCI Agency. The Purchaser is the legal entity who awards and administers the Contract on behalf of NATO and stands as one of the Contracting Parties.
- 2.30 **Purchaser Background IPR-** Any IPR owned by the Purchaser as of the Effective Date of Contract and which has been developed by, assigned to or licensed to the Purchaser prior to the Effective Date of Contract.
- 2.31 **Purchaser Furnished Property-** Any item of equipment, material, document, technical data, information and Software or any other item of property furnished by the Purchaser to the Contractor required or useful for the performance of the Contract. The Purchaser Furnished Property, if any, shall be detailed in the Contract.
- 2.32 **Software (Computer Software)-** A computer program comprising a series of instructions, rules, routines regardless of the media in which it is recorded, that allows or cause a computer to perform a specific operation or a series of operations.
- 2.33 **Software Defect-** Any condition or characteristic of Software that does not conform with the requirements of the Contract.

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- 2.34 **Sub-Assembly-** A portion of an Assembly consisting of two or more parts that can be provisioned and replaced as an entity. The definition purposely excludes Components and/or Parts.
- 2.35 **Sub-contract-** Any agreement made by the Contractor with any third party in order to fulfil any part of the obligations under this Contract. Sub-contracts may be in any legal binding form, e.g., contract, purchase order, etc.
- 2.36 **Sub-contractor-** Any person or legal entity directly or indirectly under Sub-contract to the Contractor in performance of this Contract.
- 2.37 **Third Party IPR-** Any IPR owned by a third party not being the Purchaser or the Contractor or its Subcontractor, which is needed for the performance of the Contract or for the exploitation of Foreground IPR. This includes, for example, third party software, including open source software.
- 2.38 **Work-** Any deliverable, project design, labour or any service or any other activity to be performed by the Contractor under the terms of this Contract.

3. AUTHORITY

- 3.1. All binding contractual instruments and changes, including amendments, additions or deletions, as well as interpretation of and instructions issued pursuant to this Contract shall be valid only when issued in writing by the Purchaser and signed by the Contracting Authority only.
- 3.2. No direction which may be received from any person employed by the Purchaser or a third party shall be considered as grounds for deviation from any of the terms, conditions, specifications or requirements of this Contract except as such direction may be contained in an authorised amendment to this Contract or instruction duly issued and executed by the Contracting Authority. Constructive change may not be invoked by the Contractor as a basis for Claims under this Contract.
- 3.3. The entire agreement between the Parties is contained in this Contract and is not affected by any oral understanding or representation, whether made previously to or subsequently to this Contract.
- 3.4. Personal notes, signed minutes of meetings, comments to delivered documentation and letters, e-mails and informal messages from project or other Purchaser staff which may indicate the intent and willingness to make changes to the Contract, do not implement the change to the Contract and shall not be used as a basis for claiming change to the Contract by the Contractor.

4. APPROVAL AND ACCEPTANCE OF CONTRACT TERMS

- 4.1. By his signature of the Contract, the Contractor certifies that he has read and unreservedly accepts and approves of all terms and conditions, specifications, plans, drawings and other documents which form part of and/or are relevant to the Contract. The Contractor further agrees that the terms of the Contract take precedence over any proposals or prior commitments made by the Contractor in order to secure the Contract. Contractor also hereby waives any and all rights to invoke any of the Contractor's general and special terms and conditions of sales and/or supply.

5. LANGUAGE

- 5.1. All written correspondence, reports, documentation and text of drawings delivered to the Purchaser by the Contractor shall be in the English language.

6. AUTHORISATION TO PERFORM/CONFORMANCE TO NATIONAL LAWS AND REGULATIONS

- 6.1. The Contractor warrants that he and his Sub-contractors are duly authorised to operate and do business in the country or countries in which this Contract is to be performed and that he and his Sub-contractors have obtained or will obtain all necessary licences and permits required in connection with the Contract. No claim for additional monies with respect to any costs or delay to obtain the authorisations to perform shall be made by the Contractor.
- 6.2. The Contractor acknowledges that he and his Sub-contractors are responsible during the performance of this Contract for ascertaining and complying with all applicable laws and regulations, including without limitation: labour standards, environmental laws, health and safety regulations and export controls laws and regulations in effect at the time of Contract signature or scheduled to go into effect during Contract performance. Failure to fully ascertain and comply with such laws, regulations or standards shall not be the basis for claims for change to the specifications, terms, conditions or monetary value of this Contract.

7. FIRM FIXED PRICE CONTRACT

- 7.1 This is a Firm Fixed Price Contract. The Firm Fixed Price of this Contract is as stated on the signature page of the Contract or any amendments thereto. The Purchaser assumes no liability for costs incurred by the Contractor in excess of the stated Firm Fixed Price except as may be authorised under certain provisions of this Contract.

8. PERFORMANCE GUARANTEE

- 8.1. As a guarantee of performance under the Contract, the Contractor shall deposit with the Purchaser within thirty (30) calendar days from the Effective Date of Contract a bank guarantee (the "Performance Guarantee") denominated in the currency of the Contract, to the value of ten per cent (10%) of the total Contract price.
- 8.2. The Performance Guarantee, the negotiability of which shall not elapse before the expiration of the warranty period, or such other period as may be specified in the Contract, shall be made payable to the Purchaser and shall be in the form of certified cheques or a Standby Letter of Credit subject to the agreement of the Purchaser. In the case of a Standby Letter of Credit, payment shall be made to the Purchaser without question and upon first demand by the Purchaser against a certificate from the Purchaser's Contracting Authority that the Contractor has not fulfilled its obligations under the Contract. The Contractor shall have no right to enjoin or delay such payment.
- 8.3. Certified Cheques issued to fulfil the requirements of the Performance Guarantee will be cashed by the Purchaser upon receipt and held in the Purchaser's account until the term of the Performance Guarantee has expired.
- 8.4. The standby letter of credit shall be subject to Belgian Law and shall be issued by (i) a Belgian bank, (ii) the Belgian subsidiary of a foreign bank licensed to provide financial services in Belgium; or (iii) an insurance company licensed to do business in Belgium and belonging to a Belgian banking institution provided the banking institution guarantees explicitly the demand for payment, unless otherwise specified by the Purchaser.
- 8.5. The Contractor shall request in writing relief from the Performance Guarantee upon expiration of the warranty period or such other period as may be specified in the Contract and such relief may be granted by the Purchaser.
- 8.6. The Contractor shall be responsible, as a result of duly authorised adjustments in the total contract price and/or period of performance by the Purchaser, for obtaining a commensurate extension and increase in the Performance Guarantee, the value of which shall not be less than ten per cent (10%) of the total contract price (including all amendments), and for depositing such guarantee with the Purchaser, within thirty (30) calendar days from the effective date of aforesaid duly authorised adjustment.
- 8.7. The failure of the Contractor to deposit and maintain such Performance Guarantee with the Purchaser within the specified time frame, or any extension thereto granted by the Purchaser's Contracting Authority, is a material breach of the Contract terms and conditions subject to the

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provisions of the Contract regarding Termination for Default.

- 8.8. The rights and remedies provided to the Purchaser under the present Clause are in addition to any other rights and remedies provided by law or under this Contract. The certificate described in Clause 8.2 above shall not be regarded as a Termination for Default and this Clause is in addition to and separate from the Clause of the Contract detailing termination for default.
- 8.9. If the Contractor elects to post the Performance Guarantee by Standby Letter of Credit, the form of the document shall be substantially as follows:

PERFORMANCE GUARANTEE STANDBY LETTER OF CREDIT

Standby Letter of Credit Number: _____

Issue Date: _____

Initial Expiry Date: _____

Final Expiry Date: _____

Beneficiary: NCI Agency, Finance, Accounting & Operations
Boulevard Leopold III, B-1110, Brussels
Belgium

- 1. We hereby establish in your favour our irrevocable standby letter of credit number {number} by order and for the account of (NAME AND ADDRESS OF CONTRACTOR) in the amount of _____ . We are advised this undertaking represents fulfilment by (NAME OF CONTRACTOR) of certain performance requirements under Contract No. _____ dated _____ between the NCI Agency (“NCIA and (NAME OF CONTRACTOR).
- 2. We hereby engage with you that drafts drawn under and in compliance with the terms of this letter of credit will be duly honoured upon presentation of documents to us on or before the expiration date of this letter of credit.
- 3. Funds under this letter of credit are available to you without question or delay against presentation of a certificate signed by the NCI Agency Contracting Officer which states:

“(NAME OF CONTRACTOR) has not fulfilled its obligations under Contract No. _____ dated _____ between NCI Agency and (NAME OF CONTRACTOR) (herein called the “Contract”), and the NCI Agency, as beneficiary, hereby draws on the standby letter of credit number _____ in the amount denominated in the currency of the Contract, Amount up to the maximum available under the LOC), such funds to be transferred to the account of the Beneficiary

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number _____(to be identified when certificate is presented).”

Such certificate shall be accompanied by the original of this letter of credit.

4. This Letter of Credit is effective the date hereof and shall expire at our office located at _____(Bank Address)_____ on _____. All demands for payment must be made prior to the expiry date.
5. It is a condition of this letter of credit that the expiry date will be automatically extended without amendment for a period of one (1) year from the current or any successive expiry date unless at least 90 (ninety) calendar days prior to the then current expiry date we notify you by registered mail and notify (NAME OF CONTRACTOR) that we elect not to extend this letter of credit for such additional period. However, under no circumstances will the expiry date extend beyond _____ (“Final Expiry Date”) without amendment.
6. We may terminate this letter of credit at any time upon 90 (ninety) calendar days notice furnished to both (NAME OF CONTRACTOR) and the NCI Agency by registered mail.
7. In the event we (the issuing bank) notify you that we elect not to extend the expiry date in accordance with paragraph 6 above, or, at any time, to terminate the letter of credit, funds under this credit will be available to you without question or delay against presentation of a certificate signed by the NCI Agency Contracting Officer which states:

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

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

8. The Beneficiary may not present the certificate described in paragraph 7 above

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

9. Multiple partial drawings are allowed to the maximum value of the standby letter of credit.
10. This letter of credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended, or amplified by reference to any document, instrument, or agreement referred to herein (except the International Standby Practices (ISP 98) hereinafter defined) or in which this letter of credit is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument, or agreement.
11. This Letter of Credit is subject to The International Standby Practices-ISP98 (1998 Publication) International Chamber of Commerce Publication No.590.

9. PARTICIPATING COUNTRIES

- 9.1 Unless prior written authorisation of the Purchaser has been obtained, none of the Work, shall be performed other than by firms from and within NATO Participating Countries. Unless otherwise specified in the Contract Special Provisions, the Participating Countries are the twenty-eight (28) Member Nations of the North Atlantic Treaty Organisation.
- 9.2 Unless prior written authorisation of the Purchaser has been obtained, no material or items of equipment down to and including identifiable Sub-Assemblies shall be manufactured or assembled by a firm other than from and within a NATO Participating Country.
- 9.3 The Contractor shall not place any Sub-contracts outside the NATO Participating Countries without the prior written authorisation of the Purchaser.
- 9.4 Unless prior written authorisation of the Purchaser has been obtained, the intellectual property rights for all software and documentation incorporated by the Contractor and/or its Sub-contractors into the Work shall vest with persons or legal entities from and within NATO participating nations and no royalties or licence fees for such software and documentation shall be paid by the Contractor to any source that does not reside within a NATO participating nation.
- 9.5 Any modification in the nationality, ownership and/or change of control of the Contractor and/or its Sub-contractor(s) shall be immediately notified in writing to the Purchaser with all necessary details to allow the Purchaser to determine whether or not the Contractor and/or its Sub-contractors continue

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to comply with the Clauses above. Non-compliance with the Clauses above, by the Contractor and/or its Subcontractor may constitute ground for termination of this Contract under Clause 39 (Termination for Default).

10. SUB-CONTRACTS

- 10.1 The Contractor shall place and be responsible for the administration and performance of all Sub-contracts including terms and conditions which he deems necessary to meet the requirements of this Contract in full.
- 10.2 Prior to the Sub-contractors being given access to any classified information, the Contractor shall ensure that any Sub-contractor that has a need to access classified information for the performance of any part of this Contract has been granted the appropriate facility and personnel security clearances by the Sub-contractor's national authorities and that such clearances are still in effect at the time the information is disclosed and remains in effect throughout the performance of the work to be carried out under the Sub-contract concerned.
- 10.3 The Contractor shall seek the approval in writing of the Purchaser prior to the placing of any Sub-contract if:
 - 10.3.1 the Sub-contract was not part of the Contractor's original proposal;
 - and
 - 10.3.2 the value of the Sub-contract is known or estimated to exceed 15 per cent of the total Contract value; or
 - 10.3.3 the Sub-contract is one of a number of Sub-contracts with a single Sub-contractor for the same or related Work under this Contract that in the aggregate are known or expected to exceed 15 per cent of the total Contract value.
- 10.4 The Contractor shall inform the Purchaser of any change in Sub-contractors for Sub-contracts of a value known or estimated to exceed 15 per cent of the total Contract value.
- 10.5 The Contractor shall submit a copy of any such proposed Sub-contract including prices when seeking approval to the Contracting Authority but such approval by the Contracting Authority shall in no way relieve the Contractor of his responsibilities to fully achieve the contractual and technical requirements of this Contract.
- 10.6 The Contractor shall, as far as practicable, select Sub-contractors on a competitive basis consistent with the objectives and requirements of the Contract.

11. SECURITY

- 11.1 The Contractor shall comply with all security measures as are prescribed by the Purchaser and the national security authority or designated security agency of each of the NATO countries in which the Contract is being performed. The Contractor shall be responsible for the safeguarding of classified information, documentation, material and equipment entrusted to him or generated by him in connection with the performance of the Contract.
- 11.2 In particular the Contractor undertakes to:
- 11.2.1 appoint an official responsible for supervising and directing security measures in relation to the Contract and communicating details of such measures to the Purchaser on request;
 - 11.2.2 maintain, preferably through the official responsible for security measures, a continuing relationship with the national security authority or designated security agency charged with ensuring that all NATO classified information involved in the Contract is properly safeguarded;
 - 11.2.3 abstain from copying by any means, without the authorisation of the Purchaser, the national security authority or designated security agency, any classified documents, plans, photographs or other classified material entrusted to him;
 - 11.2.4 furnish, on request, information to the national security authority or designated security agency pertaining to all persons who will be required to have access to NATO classified information;
 - 11.2.5 maintain at the work site a current record of his employees at the site who have been cleared for access to NATO classified information. The record should show the date of issue, the date of expiration and the level of clearance;
 - 11.2.6 deny access to NATO classified information to any person other than those persons authorised to have such access by the national security authority or designated security agency;
 - 11.2.7 limit the dissemination of NATO classified information to the smallest number of persons ("need to know basis") as is consistent with the proper execution of the Contract;
 - 11.2.8 comply with any request from the national security authority or designated security agency that persons entrusted with NATO classified information sign a statement undertaking to safeguard that information and signifying their understanding both of their obligations under national legislation affecting the safeguarding of classified information, and of their comparable obligations

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under the laws of the other NATO nations in which they may have access to classified information;

- 11.2.9 report to the national security authority or designated security agency any breaches, suspected breaches of security, suspected sabotage, or other matters of security significance which would include any changes that may occur in the ownership, control or management of the facility or any changes that affect the security arrangements and security status of the facility and to make such other reports as may be required by the national security authority or designated security agency, e.g. reports on the holdings of NATO classified material;
- 11.2.10 apply to the Purchaser for approval before Sub-contracting any part of the work, if the Sub-contract would involve that the Sub-contractor would have access to NATO classified information, and to place the Sub-contractor under appropriate security obligations no less stringent than those applied to his own contract;
- 11.2.11 undertake not to utilise, other than for the specific purpose of the Contract, without the prior written permission of the Purchaser or his authorised representative, any NATO classified information furnished to him, including all reproductions thereof in connection with the Contract, and to return all NATO classified information referred to above as well as that developed in connection with the Contract, unless such information has been destroyed, or its retention has been duly authorised with the approval of the Purchaser. Such NATO classified information will be returned at such time as the Purchaser or his authorised representative may direct;
- 11.2.12 classify any produced document with the highest classification of the NATO classified information disclosed in that document.

12. RELEASE OF INFORMATION

- 12.1 Except as otherwise specified elsewhere in the Contract and to the extent that it is demonstratively unavoidable and without prejudice to the Clause 11 (Security), the Contractor and/or his employees shall not, without prior authorisation from the Purchaser, release to third parties any information pertaining to this Contract, its subject matter, performance there under or any other aspect thereof.
- 12.2 The Contractor shall seek the prior written approval of the Purchaser before publishing any press release or disclosing any other information, orally or in writing, in relation to the Contract. The approval of the Purchaser shall be required for both the opportunity and the content of the information.

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12.3 This provision shall remain in effect after the termination of the Contract and shall cease to apply to any particular piece of information once that information becomes public knowledge other than through an act, default or omission of the Contractor or its Sub-contractors.

13. **PURCHASER FURNISHED PROPERTY**

13.1 The Purchaser shall deliver to the Contractor, for use only in connection with this Contract, the Purchaser Furnished Property at the times and locations stated in the Contract. In the event that Purchaser Furnished Property is not delivered by such time or times stated in the Schedule, or if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates the Purchaser shall, upon timely written request made by the Contractor, and if the facts warrant such action, equitably adjust any affected provision of this Contract pursuant to Clause 16 (Changes).

13.2 In the event that Purchaser Furnished Property is received by the Contractor in a condition not suitable for its intended use, the Contractor shall immediately notify the Purchaser. The Purchaser shall within a reasonable time of receipt of such notice replace, re-issue, authorise repair or otherwise issue instructions for the disposal of Purchaser Furnished Property agreed to be unsuitable. The Purchaser shall, upon timely written request of the Contractor, equitably adjust any affected provision of this Contract pursuant to Clause 16 (Changes).

13.3 Title to Purchaser Furnished Property will remain in the Purchaser. The Contractor shall maintain adequate property control records of Purchaser Furnished Property in accordance with sound industrial practice and security regulations.

13.4 Unless otherwise provided in this Contract, the Contractor, upon delivery to him of any Purchaser Furnished Property, assumes the risk of, and shall be responsible for, any loss thereof or damage thereof except for reasonable wear and tear, and except to the extent that Purchaser Furnished Property is consumed in the performance of this Contract.

13.5 Upon completion of this Contract, or at such earlier dates as may be specified by the Purchaser, the Contractor shall submit, in a form acceptable to the Purchaser, inventory schedules covering all items of Purchaser Furnished Property.

13.6 The inventory shall note whether:

13.6.1 The property was consumed or incorporated in fabrication of final deliverable(s);

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- 13.6.2 The property was otherwise destroyed;
- 13.6.3 The property remains in possession of the Contractor;
- 13.6.4 The property was previously returned
- 13.7 The Contractor shall prepare for shipment, deliver DDP at a destination agreed with the Purchaser, or otherwise dispose of Purchaser Furnished Property as may be directed or authorised by the Purchaser. The net proceeds of any such disposal shall be credited to the Contract price or paid to the Purchaser in such other manner as the Purchaser may direct.
- 13.8 The Contractor shall not modify any Purchaser Furnished Property unless specifically authorised by the Purchaser or directed by the terms of the Contract.
- 13.9 The Contractor shall indemnify and hold the Purchaser harmless against claims for injury to persons or damages to property of the Contractor or others arising from the Contractor's possession or use of the Purchaser Furnished Property. The Contractor shall indemnify the Purchaser for damages caused by the Contractor to the Purchaser, its property and staff and arising out of the Contractor's use of the Purchaser Furnished Property.

14. **CONTRACTOR'S PERSONNEL WORKING AT PURCHASER'S FACILITIES**

- 14.1 The term "Purchaser Facilities" as used in this Clause shall be deemed to include sites, property, utilities, ships or vessels and the term "Facility Representative" shall be deemed to refer to the authority designated by the Purchaser responsible for the site, property, utility, ship or vessel.
- 14.2 The Facility Representative shall provide such available administrative and technical facilities for Contractor's personnel working at Purchaser's Facilities for the purpose of the Contract as in the opinion of the Facility Representative may be necessary for the effective and economical discharge of Work. The Facility Representative shall also determine whether these facilities will be provided free of charge to the Contractor or determine what charges are payable. The Contractor shall have no claim against the Purchaser for any such additional cost or delay or any additional cost or delay occasioned by the closure for holidays of said facilities, or other reasons, where this is generally published or made known to the Contractor by the Purchaser or his authorised representatives.
- 14.3 The Contractor shall, except as otherwise provided for in the Contract, make good or, at the option of the Purchaser, pay compensation for all damage occurring to any Purchaser's Facilities occasioned by the Contractor, his servants, agents or Sub-contractors, arising from his or their presence and activities in, and use of, the Purchaser's Facilities; provided that this

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Condition shall not apply to the extent that the Contractor is able to show that any such damage was not caused or contributed to, by his neglect, or default or the neglect or default of his servants, agents or Sub-contractors, or by any circumstances within his or their control.

- 14.4 All property of the Contractor while at a Purchaser Facility shall be at the risk of the Contractor, and the Purchaser shall accept no liability for any loss or damage, except to the extent that any loss or damage is the result of a wilful act or gross negligence on the part of the Purchaser's employees or agents.

15. HEALTH, SAFETY AND ACCIDENT PREVENTION

- 15.1 If the Purchaser notifies the Contractor in writing of any non-compliance in the performance of this Contract with safety and health rules and requirements prescribed on the date of this Contract by applicable national or local laws, ordinances and codes, and the Contractor fails to take immediate corrective action, the Purchaser may order the Contractor to stop all or part of the Work until satisfactory corrective action has been taken. Such an order shall not entitle the Contractor to an adjustment of the Contract price or other reimbursement for resulting increased costs, or to an adjustment of the delivery or performance schedule.

16. CHANGES

- 16.1 The Purchaser may at any time, by written order of the Contracting Authority designated or indicated to be a change order ("Change Order") make changes within the general scope of this Contract, including, without limitation, in any one or more of the following:

- 16.1.1 Specifications (including drawings and designs);
- 16.1.2 Method and manner of performance of the work, including engineering standards, quality assurance and configuration management procedures;
- 16.1.3 Marking and method of shipment and packing;
- 16.1.4 Place of delivery;
- 16.1.5 Amount, availability and condition of Purchaser Furnished Property.

- 16.2 The Purchaser shall submit a proposal for Contract amendment describing the change to the Contract.

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- 16.3 If any such Change Order causes an increase in the Contractor's cost of, or the time required for, the performance of any part of the Work under this Contract, whether or not changed by any such order, the Contractor shall submit a written proposal for adjustment to the Purchaser describing the general nature and amount of the proposal for adjustment. The Contractor shall submit this proposal for adjustment within thirty (30) days after receipt of a written Change Order under (a) above unless this period is extended by the Purchaser.
- 16.4 If any such Change Order causes a decrease in the Contractor's cost of, or the time required for, the performance of any part of the Work under this Contract, whether or not changed by any such order, the Purchaser shall submit a proposal for adjustment within thirty (30) days from the issuance of the Change Order by submitting to the Contractor a written statement describing the general nature and amount of the proposal for adjustment.
- 16.5 Where the cost of property made obsolete or in excess as a result of a change is included in the Contractor's claim for adjustment, the Purchaser shall have the right to prescribe the manner of disposition of such property.
- 16.6 The Purchaser reserves the right to reject the introduction of the change, after the evaluation of the change proposal, even if the Purchaser initiated such change.
- 16.7 Failure to agree to any requested adjustment shall be a dispute within the meaning of the Clause 41 (Disputes). However, nothing in this Clause shall excuse the Contractor from proceeding with the Contract as changed.
- 16.8 No proposal for adjustment by the Contractor for an equitable adjustment shall be allowed if asserted after final payment and acceptance under this Contract.
- 16.9 Any other written or oral order (which, as used in this paragraph includes direction, instruction, interpretation, or determination) from the Purchaser that causes a change shall be treated as a Change Order under this Clause, provided, that the Contractor gives the Purchaser a written notice within thirty (30) Days after receipt of such order stating (i) the date, circumstances, and source of the order; (ii) that the Contractor regards the order as a Change Order; and (iii) a detailed cost and time analysis of the impact of the change, and that the Order is accepted in writing by the Purchaser as a Change Order. The timely written notice requirement, as detailed above, remains in force in all cases, even where, for example, the Purchaser has positive knowledge of the relevant facts.
- 16.10 All tasks and activities carried out by the Contractor in relation to the processing of the Change Order or in relation to this Clause shall form part of the Contractor's routine work and cannot be charged as additional work.

17. STOP WORK ORDER

- 17.1 The Purchaser may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the Work called for by this Contract for a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the Parties may agree.
- 17.2 Any such stop work order shall be specifically identified as a stop work order issued pursuant to this Clause (the "Stop Work Order"). The Stop Work Order may include a description of the Work to be suspended, instructions concerning the Contractor's issuance of further orders for material or services, guidance to the Contractor on actions to be taken on any Sub-contracts and any suggestion to the Contractor for minimizing costs.
- 17.3 Upon receipt of such a Stop Work Order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimise costs incurred allocable to the Work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to the Contractor, or within any extension of that period to which the Parties shall have agreed, the Purchaser shall either:
- 17.3.1 cancel the Stop Work Order; or
 - 17.3.2 terminate the Work covered by such Stop Work Order as provided in Clause 40 (Termination for Convenience of the Purchaser).
- 17.4 If a Stop Work Order issued under this Clause is cancelled or the period of the Stop Work Order or any extension thereof expires, the Contractor shall resume work.
- 17.5 An equitable adjustment shall be made in the delivery schedule or Contract price, or both, and the Contract shall be modified in writing accordingly, if:
- 17.5.1 the Stop Work Order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract, and;
 - 17.5.2 the Contractor asserts a Claim for such adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if the Purchaser decides the facts justify such action, he may receive and act upon any such claim asserted at a later date but prior to final payment under this Contract.
- 17.6 If a Stop Work Order is not cancelled and the Work covered by such Stop Work Order is terminated for the convenience of the Purchaser the reasonable costs resulting from the Stop Work Order shall be allowed in

arriving at the termination settlement.

18. CLAIMS

18.1 The Contractor shall specifically identify the Contract Clause(s) under which the Claim(s) is/are based.

18.2 Claims shall be specifically identified as such and submitted:

18.2.1 within the time specified in the Clause under which the Contractor alleges to have a Claim. If no time is specified in the Clause under which the Contractor intends to base his Claim, the time limit shall be sixty (60) days from the date the Contractor has knowledge or should have had knowledge of the facts on which he bases his Claim; and

18.2.2 before final payment, pursuant to and with the exceptions specified in Clause 33 entitled "Release of Claims".

18.2.3 Section 18.2.2 above shall only apply to those Claims for which the Contractor could not have had earlier knowledge and were not foreseeable.

18.3 The Contractor shall be foreclosed from his Claim unless he presents complete documentary evidence, justification and costs for each of his Claims within ninety (90) calendar days from the assertion date of such Claims. Claims shall be supported by specifically identified evidence (including applicable historical and planned cost and production data from the Contractor's books and records). Opinions, conclusions or judgmental assertions not supported by such evidence will be rejected by the Purchaser.

18.4 An individual breakdown of cost is required for each element of Contractor's Claims at the time of claim submission or for any material revision of the Claim.

18.5 The Contractor shall present, at the time of submission of a Claim, an attestation as follows:

Ithe responsible senior company official authorised to commit the with respect to its claims dated being duly sworn, do hereby depose and say that: (i) the facts described in the claim are current, complete and accurate; and (ii) the conclusions in the claim accurately reflect the material damages or contract adjustments for which the Purchaser is allegedly liable.

.....

.....
SIGNATURE

Date

- 18.6 Failure to comply with any of the above requirements shall result in automatic foreclosure of the Claim. This foreclosure takes effect in all cases and also where, for example, the Claim is based on additional orders, where the facts are known to the Purchaser, where the Claim is based on defective specifications of the Purchaser or an alleged negligence in the pre-contractual stage.
- 18.7 Claims submitted by the Contractor will be reviewed by the Contracting Authority. The Contracting Authority will respond within sixty (60) days with a preliminary decision, based on an assessment and evaluation of the facts presented by the Parties, as to whether the Contracting Authority considers the Claim to have merit for consideration. If the preliminary decision of the Contracting Authority is that the Claim, as submitted is without merit, the Contractor shall have fourteen (14) days to present a rebuttal to the Contracting Authority and request reconsideration of the Contracting Authority's decision. Within thirty (30) days receipt of the Contractor's request for reconsideration, the Contracting Authority will issue a decision. The time requirements stated herein may be extended by the Contracting Authority in order to accommodate additional preparation efforts and fact finding discussions but the Contracting Authority may not unreasonable extend such a period. A decision that the submitted claim is without merit will be identified as such, will be issued in writing by the Contracting Authority and will be conclusive. A decision may only be challenged by the Contractor through the Disputes provisions described herein.
- 18.8 A decision by the Purchaser that the claim has merit will result in a Contracting Authority request to enter into negotiations with the Contractor to arrive at a mutually agreed fair and equitable settlement. The Contracting Authority's decision will contain a target date for the commencement and conclusion of such operations. If the Parties are unable to arrive at an agreement on a fair and reasonable settlement by the target date for conclusion, or any extension thereto made by the Contracting Authority, the latter may declare that negotiations are at an impasse and issue a preliminary decision as to the fair and reasonable settlement and the reasons supporting this decision. The Contractor shall have a period of thirty (30) days to present a rebuttal to the Contracting Authority and request reconsideration of the Contracting Authority's decision. Within sixty (60) days of receipt of the Contractor's request for reconsideration, the Contracting Authority will issue its decision on the request for reconsideration. This timeframe will be respected unless an authorisation is needed from a NATO or other authority , the schedule for which is beyond the Contracting Authority's control. A

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decision of the Contracting Authority on the reconsideration of the matter will be identified as such, will be issued in writing by the Contracting Authority and will be conclusive. A decision on the reconsideration may only be challenged by the Contractor through the Disputes provisions described herein.

- 18.9 No Claim arising under this Contract may be assigned by the Contractor without prior approval of the Purchaser.
- 18.10 The Contractor shall proceed diligently with performance of this Contract, pending final resolution of any request for relief, claim appeal, or action arising under the Contract, and comply with any decision of the Contracting Authority.

19. PRICING OF CHANGES, AMENDMENTS AND CLAIMS

- 19.1 Contractor's pricing proposals for Changes, amendments and Claims shall be priced in accordance with the Purchaser's Pricing Principles (Annex 1 hereto and the sample spreadsheet and its " Instructions to Complete" at Appendix 1) or the national government pricing rules and regulations for the Contractor's own country, where in force. The Contractor shall provide cost information accompanied by appropriate substantiation as required by the Purchaser in accordance with Purchaser's Pricing Principles, or such other format as may be agreed between the Contractor and the Purchaser.
- 19.2 With respect to Clause 19.1 above, when the price or price adjustment is based on adequate price competition, established catalogue or market price of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, the Contractor shall be responsible for substantiation of such cases to the satisfaction of the Purchaser.
- 19.3 For the purposes of verifying that the cost or pricing data submitted in conjunction with Clause 19.1 above are accurate, complete and current, the Purchaser or any Purchaser authorised representative shall have the right of access to the Contractor's facilities to examine, until the expiration of three (3) years from the date of final payment of all sums due under the Contract:
- 19.3.1 those books, records, documents and other supporting data which will permit adequate evaluation and verification of the cost or pricing data submitted; and/or
- 19.3.2 the computations and projections which were available to the Contractor as of the date of the Contractor price proposal.
- 19.4 The Contractor, subject to the provisions of this Clause, shall require Sub-contractors to provide to the Purchaser, either directly or indirectly:
- 19.4.1 cost or pricing data;
- 19.4.2 access to Sub-contractor's facilities and records for the purposes of verification of such cost or pricing data; and
- 19.4.3 a Certificate of Current Cost or Pricing Data, when required.

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- 19.5 If any price, including profit, negotiated in connection with this Contract was proposed, taking any of the following into account:
- 19.5.1 the Contractor furnished cost or pricing data which was not complete, accurate and current as certified in the Contractor's Certificate of Current Cost or Pricing Data provided in accordance with Clause 19.6 below;
 - 19.5.2 a Sub-contractor, pursuant to Clause 19.4 above or any Sub-contract clause therein required, furnished cost or pricing data which was not complete, accurate and current as certified in the Sub-contractor's Certificate of Current Cost or Pricing Data;
 - 19.5.3 a Sub-contractor or prospective Sub-contractor furnished cost or pricing data which was required to be complete, accurate and current and to be submitted to support a Sub-contract cost estimate furnished by the Contractor but which was not complete, accurate and current as of the date certified in the Contractor's Certificate of Current Cost or Pricing Data; or
 - 19.5.4 the Contractor or a Sub-contractor or prospective Sub-contractor furnished any data, not within 19.5.1 through 19.5.3 above, which, as submitted, was not complete, accurate and current;
 - 19.5.5 then the price and/or cost shall be adjusted accordingly and the Contract shall be modified in writing as may be necessary to reflect such.
- 19.6 At the time of negotiating any price, including profit, which is based upon the submission of cost or pricing data by the Contractor, the Contractor shall be required to submit a certificate of current cost or pricing data ("Certificate").
- 19.6.1 Such Certificates will certify that, to the best of the Contractor's knowledge and belief, cost or pricing data submitted to the Purchaser in support of any proposal for a price, price adjustment or claim, are accurate, complete and current, as per the completion of the negotiations or, in the case of a claim, as per the submission date of the claim.
 - 19.6.2 All such Certificates shall be in the format shown below and shall be dated and signed by a responsible officer of the company:

CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that cost or pricing data as submitted, either actually or by specific identification in writing to the Purchaser or his representative in support of..... (*Claim, Amendment, ECP#, etc.*) are accurate, complete and current as of (*Date*).

By submitting the price proposal, the Contractor/sub-Contractor or prospective sub-Contractor grant the Purchaser or his authorized representative(s) the right to examine those records, data and supporting information, used as a basis for the pricing submitted.

Name of Company

Signature

Printed Name of Signatory

Title of Signatory

Date of Signature

19.6.3 The Contractor shall insert the substance of this Clause 19.7 in each Sub-contract.

19.7 For all additional or follow-up agreements which are made for Work which are furnished to the Purchaser without competition, the Contractor shall offer prices on a "Preferred Customer" basis, that is offer prices which are as favourable as those extended to any Government, Agency, Company, Organisation or individual purchasing or handling like quantities of

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equipment and/or Parts covered by the Contract under similar conditions. In the event that prior to completing delivery under this Contract the Contractor offers any of such items in substantially similar quantities to any customer at prices lower than those set forth herein, the Contractor shall so notify the Purchaser and the prices of such items shall be correspondingly reduced by a supplement to this Contract. Price in this sense means "Base Price" prior to applying any bonus, export tax reduction, turn-over tax exemptions and other reductions based on National Policies.

20. NOTICE OF SHIPMENT AND DELIVERY

- 20.1 Except as may be specified in the Contract Special Provisions, delivery of all items under this Contract shall be made by the Contractor on the basis of "Delivery Duty Paid" (DDP) as defined by the INCOTERMS 2000 (International Chamber of Commerce Publication No. 560). It shall be noted, however, that because the Purchaser is exempted from direct taxes and duty as set forth in Clause 26 (Taxes and Duties), there is no duty to be paid by the Contractor.
- 20.2 "Delivery" of required Work by the Contractor does not constitute "Acceptance" by the Purchaser for purposes of meeting the requirements of the Contract Schedule where Purchaser acceptance is the stated payment or schedule milestone.
- 20.3 Thirty (30) Days, or such other period as specified in the Contract, prior to the delivery of any shipment of Work, the Contractor shall give prepaid notice of shipment to the Purchaser. The Notice of Shipment shall contain, as appropriate, the request for customs form 302, or equivalent document, which shall enable any carrier to conduct duty free import/export clearance through customs for the Purchaser on behalf of NATO.
- 20.4 The customs form 302 is an official customs clearance declaration issued in advance of shipment by the Purchaser to provide certified information as to the duty free import, export, or transit of NATO consignments between NATO countries.
- 20.5 The Notice of Shipment and request for Form 302 or equivalent document shall contain the following information:
- 20.5.1 Purchaser's Contract number;
 - 20.5.2 Contract item number, designation and quantities;
 - 20.5.3 destination;
 - 20.5.4 number and description of the packages (gross and net weight);
 - 20.5.5 description of the goods and their value (for custom purpose only, not commercial value)

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- 20.5.6 consignor's name and address;
 - 20.5.7 consignee's name and address;
 - 20.5.8 method of shipment (i.e. road, rail, sea, air, etc.);
 - 20.5.9 name and address of freight forwarder.
- 20.6 Forwarding Agents, Carriers or other responsible organisations shall be informed by the Contractor of the availability of Form 302 or equivalent document and how the form shall be utilised to avoid the payment of custom duties. Form 302 or equivalent document shall be incorporated in all shipping documents provided to the carrier.
- 20.7 Upon receipt of the Notice of Shipment from the Contractor, the Purchaser may require the Contractor to send copies of the Notice of Shipment to the receiving parties and the Contractor shall comply with this requirement.

21. INSPECTION AND ACCEPTANCE OF WORK

- 21.1 For the purposes of this Clause, Work does not include documentation which is addressed in Clause 22 (Inspection and Acceptance of Documentation) hereafter.
- 21.2 Unless otherwise specifically provided for in the Contract, all Work and all Parts and equipment incorporated in the Work are to be new and of the most suitable grade of their respective kinds for the purpose, notwithstanding the requirements for testing, inspection and performance as required under this Contract. All workmanship shall be as specified under the Contract or, if no workmanship standards are specified, best commercial or "state of the art" complying with relevant (National and International) standards.
- 21.3 All Work may be subject to inspection and test by the Purchaser or his authorised representative(s) to the extent practicable at all times and places prior to Acceptance, including the period of manufacture, or after delivery or as otherwise specified in the Contract. For the purposes of inspection and testing the Purchaser may delegate as his representative the authorised National Quality Assurance Representative (NQAR) in accordance with STANAG 4107.
- 21.4 No representative or NQAR appointed by the Purchaser for the purpose of determining the Contractor's compliance with the technical requirements of the Contract shall have the authority to change any of the specifications. Such changes may only be made by the Contracting Authority in writing in accordance with Clause 16 (Changes).
- 21.5 The presence or absence of an NQAR or other Purchaser representative shall not relieve the Contractor from conforming to the requirements of this Contract.
- 21.6 Acceptance or rejection of the Work shall be made as promptly as practicable after delivery, except as otherwise provided in the Contract. Failure to timely

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accept or reject the Work shall neither relieve the Contractor from responsibility for such Work nor impose liability on the Purchaser.

- 21.7 In the event that any Work, or lots thereof, or services are defective in design, material, workmanship or manufacturing quality, or as a result of undue wear and tear or otherwise not in conformity with the requirements of this Contract, including any characteristic or condition which is or becomes at variance to the performance specifications, to the intended function of the Work or the function to which it could reasonably be expected that the Work would perform, the Purchaser shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction or replacement. Work which has been rejected or required to be corrected or replaced shall, at the expense of the Contractor, be removed, or, if permitted or required by the Contracting Authority, corrected in place by the Contractor promptly after notice, and shall not thereafter be tendered for acceptance by the Contractor unless the former rejection or requirement of correction or replacement is withdrawn. If the Contractor fails promptly to remove, replace or correct such Work the Purchaser may either:
- 21.7.1 by contract or otherwise return, replace or correct such Work or services and charge to the Contractor the cost incurred by the Purchaser; and/or
 - 21.7.2 terminate this Contract for default as provided in Clause 39 (Termination for Default).
- 21.8 When NQAR is not applicable based on the scale of the project, the Purchaser reserves the right to perform inspections through his own staff in accordance with the latest ISO standard at the time of inspection.
- 21.9 Unless the Contractor corrects or replaces such Work within the delivery schedule, the Purchaser may require the delivery of such Work at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute within the meaning of Clause 41 (Disputes).
- 21.10 If any inspection or test is made by the Purchaser's representatives on the premises of the Contractor or Sub-contractor, the Contractor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the Purchaser's representatives in the performance of their duties. The NQAR or other Purchaser representatives shall have the right of access to any area of the Contractor's or his Sub-contractor's premises where any part of the contractual work is being performed.
- 21.11 If Purchaser inspection or test is made at a point other than the premises of the Contractor or Sub-contractor, it shall be at the expense of the Purchaser except as otherwise provided in this Contract; provided, that in case of rejection the Purchaser shall not be liable for any reduction in value of samples used in connection with such inspection or test.
- 21.12 All inspections and tests by the Purchaser shall be performed in such a

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manner as not to unduly delay the Work.

- 21.13 The Purchaser reserves the right to charge to the Contractor any additional cost of Purchaser inspection and test when Work is not ready at the time such inspection and test is requested by the Contractor or when re-inspection or retest is necessitated by prior rejection.
- 21.14 Acceptance or rejection of the Work shall be made as promptly as practicable after delivery, except as otherwise provided in this Contract, but failure to inspect and accept or reject Work shall neither relieve the Contractor from responsibility for such Work as are not in accordance with the Contract requirements nor impose liability on the Purchaser thereof.
- 21.15 The inspection and test by the Purchaser of any Work or lots thereof, or services, does not relieve the Contractor from any responsibility regarding defects or other failures to meet the Contract requirements which may be discovered prior to acceptance.
- 21.16 Acceptance of Work shall take place when the Contracting Authority confirms acceptance in writing of the Work in accordance with the procedure specified in the Contract, or if none is so specified then the Contracting Authority shall be deemed to have accepted the Work without prejudice to any other remedies, when and as soon as any of the following events have occurred:
- 21.16.1 the Purchaser has taken the Work into use, except as specifically provided by Clause 23 (Use and Possession Prior to Acceptance);
 - 21.16.2 the Purchaser has not exercised its right of rejection of the Work within any period specified for that purpose in the Contract;
 - 21.16.3 there being no period for exercising the right of rejection specified in the Contract, a reasonable time, all the circumstances having been taken into account, has elapsed since inspection of the Work was effected in accordance with the Contract.
- 21.17 Except as otherwise provided in this Contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.
- 21.18 Unless otherwise specified in this Contract, the Contractor shall have or establish, implement and maintain an effective and economical quality control system necessary to satisfy the Contract requirement. The system shall provide for the early and prompt detection of deficiencies, trends and conditions which could result in unsatisfactory quality and for timely and effective corrective action. Objective evidence that the system is effective shall be readily available to the Purchaser and its authorised representatives. Records of all inspection and testing work by the Contractor shall be kept complete and available to the Purchaser's representatives during the performance of this Contract and for such longer periods as may be specified elsewhere in this Contract.

22. **INSPECTION AND ACCEPTANCE OF DOCUMENTATION**

- 22.1 The Contractor shall provide to the Purchaser a draft version of the required documentation as provided by the Contract Schedule and the Statement of Work. Review of draft documentation under this Contract will be made by the Purchaser upon the delivery of these items by the Contractor. The review will be conducted by the Purchaser through duly authorised representatives.
- 22.2 Upon delivery of the draft documentation, the Purchaser will have a period of review as provided by the Statement of Work. At the end of the review period or before if deemed practical by the Purchaser, the Purchaser's comments will be presented to the Contractor in writing. The substance of such comments will pertain to items of error, non-conformity, omission and guidance in relation to the requirements of the Statement of Work.
- 22.3 Purchaser Review of the delivered items will emphasise the conformity with the requirements of the Statement of Work, thoroughness of analysis, logical bases of conclusions and models and coherence and completeness of presentation. The review process will also examine editorial and grammatical correctness and the suitability and accuracy of graphics supporting the text.
- 22.4 The Contractor shall, after receipt of Purchaser comments, incorporate changes, revisions and corrections required by the Purchaser and present the revised documentation in final form to the Purchaser for inspection in accordance with the delivery date specified in the Schedule.
- 22.5 During the review process the Contractor is not required to halt efforts on further tasks as identified in the Statement of Work. The Purchaser, however, shall not be held liable for any work carried out by the Contractor which is based on draft documentation yet to be reviewed.
- 22.6 Upon receipt of the items in final form, the Purchaser will inspect the items for a period not exceeding two weeks (or as otherwise stated in the Statement of Work). At the end of the inspection, the Purchaser will notify the Contractor that:
- 22.6.1 the items have been accepted;
 - 22.6.2 the acceptance of the items is deferred pending further revision;
- or
- 22.6.3 The items are rejected and significantly fail to meet Contract requirements.
- 22.7 In the case of Clause 22.6.2 above, the Contractor shall only be responsible for those revisions and corrections requested by the Purchaser and the

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Purchaser may not request additional revisions during inspection after required revisions have been made. However, if the Purchaser determines that a directed revision has not been made or if such directed revision was cause for revision of other portions of content which were not made by the Contractor, the Purchaser may withhold acceptance until such revisions are made by the Contractor.

- 22.8 The Contractor shall provide to the Purchaser on request supporting technical data, computer software, databases and background analyses in order to validate findings contained in the delivered items.
- 22.9 Purchaser acceptance shall be made in writing by the Contracting Authority.

23. USE AND POSSESSION PRIOR TO ACCEPTANCE

- 23.1 Except as otherwise provided in the Contract Special Provisions, the Purchaser shall have the right to take possession of, or use, any completed or partially completed Work under the Contract at any time, when notified by the Contracting Authority, however such possession or use shall not constitute Acceptance by the Purchaser, as defined in the Contract.
- 23.2 While the Purchaser has such use or is in such possession, the Contractor shall be relieved of the responsibility for loss or damage to the Work concerned other than that resulting from the Contractor's fault, negligence or defect to the Work.
- 23.3 If such prior possession or use by the Purchaser delays the progress of the Work or causes additional expense to the Contractor, an equitable adjustment in the Contract price or the time of delivery will be made, in accordance with the Clause 16 (Changes), and the Contract shall be modified in writing accordingly.

24. OWNERSHIP AND TITLE

- 24.1 Except as may be otherwise stated in the Contract Special Provisions and Clause 23 (Use and Possession prior to Acceptance), ownership and title to all Work will pass to the Purchaser only upon Acceptance by the Contracting Authority in writing. Where the Contract provides for Provisional Acceptance and Final Acceptance, ownership and title will pass to the Purchaser upon written notification of Final Acceptance.

25. INVOICES AND PAYMENT

- 25.1 Unless otherwise specified in the Contract Special Provisions, invoices shall only be submitted after delivery and Acceptance of the Work and for the total prices and currency(ies) as set out under the Schedule of Work.
- 25.2 Invoices in respect of any Work or services shall be prepared and submitted

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to the Purchaser and shall contain all of the elements listed below:

- 25.2.1 Contract number;
 - 25.2.2 Purchaser's Purchase Order number ;
 - 25.2.3 accounting codes (as specified in this Contract);
 - 25.2.4 item number (as defined in the Contract);
 - 25.2.5 Contract description of Work or services, sizes, quantities, unit prices, and extended totals (exclusive of taxes and duties for which relief is available); and
 - 25.2.6 extended totals. Details of Bills of Lading or Freight Warrant numbers and weight of shipment shall be identified on each invoice as appropriate.
- 25.3 In addition, documentary evidence of Acceptance including copies of certificates of conformity shall be submitted together with each invoice. Invoices shall not be submitted to the Purchaser without Acceptance having been previously made by the Purchaser.
- 25.4 Each copy of the invoice shall contain the following certificate which shall be signed by a duly authorised company official on the designated original invoice:

"I certify that the above invoice is true and correct, that the delivery of the above described items has been duly carried out and the payment thereof has not been received.

*Order placed for official use. Exemption from VAT Article 42, §3&3*of VAT Code for Belgium or Article 151, §1b of the Council Directive 2006/112/EC dd. 28 November 2006 on intra-community purchases and/or services."*

- 25.5 All invoices shall be addressed to the NCI Agency - Financial Management

Either at the following addresses:

NCI Agency * If used for NCI Agency Brussels

NATO Communications and Information Agency
Finance, Accounting & Operations
Batiment Z
Av du Bourget 140
B-1140 Belgium

OR

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

["NCIA-CAPDEV-FMU-BEL_E-INVOICES@NCIA.NATO.INT"](mailto:NCIA-CAPDEV-FMU-BEL_E-INVOICES@NCIA.NATO.INT) (note there is an underscore between BEL and E-INVOICES)

Note: When used for NCI Agency The Hague or Mons the addresses shall be dictated in the Contract Special Provisions

Once the manner of forwarding the invoice is chosen, the contractor shall keep this manner throughout the contract.

- 25.6 All invoices submitted shall include the address of the bank to which payment shall be made, together with **either** pertinent information concerning the International Bank Account Number (IBAN) and BIC/SWIFT address **or** pertinent information concerning transit number/sort code, account number and SWIFT address. The Purchaser makes payment only by wire transfer and therefore wire transfer particulars shall be included on the invoice.
- 25.7 Invoices will be settled by the Purchaser within sixty (60) days of receipt of a properly prepared and submitted invoice.
- 25.8 The Contractor shall mention on the invoice the payment conditions in line with the Contract.

26. **TAXES AND DUTIES**

- 26.1 The Purchaser, by virtue of his status under the terms of Article IX and X of the Ottawa Agreement, is exempt from all direct taxes (incl. VAT) and all customs duties on merchandise imported or exported. The Contractor, therefore, certifies that the prices stipulated in this Contract do not include amounts to cover such direct taxes or customs duties.
- 26.2 The Contractor shall be responsible for ensuring that his respective Sub-contractors are aware that the Purchaser is exempt from taxes and customs duties. The Contractor (and his respective Sub-contractors) shall be responsible for complying with all applicable national and local legal and administrative procedures to ensure that authorities do not attempt to assess taxes and customs duties on goods and property imported or exported through NATO member nation frontiers under this Contract nor assess direct taxation (VAT) on goods sold to the NCI Agency under this Contract.
- 26.3 The Purchaser shall give reasonable assistance in providing evidence/documents which might be required by the Contractor to ensure that NCI Agency receives tax exemption by virtue of its status under the Ottawa Agreement.
- 26.4 If, after complying with all national and local legal and administrative

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procedures, the authorities persist in attempting to impose taxes or duties on goods provided under this Contract, the Contractor shall inform the Contracting Authority providing the particulars of the situation, the procedures which have been followed and the point of contact at the national authority which is attempting to impose taxation or duty. The Contracting Authority will examine the situation and attempt to clarify the legal and administrative basis of the difficulty. If the Contracting Authority so directs, the Contractor shall pay the required taxes and duties and file for reimbursement or rebate from the national authorities in accordance with national legislative and administrative procedures.

- 26.5 In the event that the petition for reimbursement or rebate is denied by the national authorities concerned and providing that the Contractor and/or his Sub-contractor have complied with the national legislative and administrative procedures, the Purchaser shall reimburse the full amount of the payment(s) upon receipt of the Contractor's invoice indicating such tax or duty as a separate item of cost and fully identified by reference to any governmental law, regulation and/or instruction pursuant to which such tax or duty is enforced. The Contractor shall offer assistance and execute any such document that may be useful or required to ensure that Purchaser obtains the reimbursement of any tax or duty retained by a national authority.
- 26.6 In the event of the Contractor and/or Sub-contractor not complying with national legislative or administrative procedures, taxes and duties paid by the Contractor and/or Sub-contractors shall not be reimbursed by the Purchaser.
- 26.7 Following payment by the Purchaser of the taxes and/or duties pursuant to Clause 26.4 above, should the Contractor subsequently receive a rebate of any amount paid by the Purchaser, the Contractor shall immediately notify the Purchaser and the amount of such rebate shall be credited or reimbursed to the Purchaser, as directed. The Contractor shall be responsible for taking any and all action that could reasonably be required in order to obtain such rebate.
- 26.8 The Contractor shall be liable for all other taxes, assessments, fees, licences, administrative charges or other Government assessments or charges which are applicable to the performance of this Contract. It is the Contractor's responsibility to inform himself of his liability in each country where such liability may arise.

27. WARRANTY OF WORK (Exclusive of Software)

27.1 For the purpose of this Clause:

- 27.1.1 "Acceptance" shall mean the act of an authorised representative of the Purchaser by which the Purchaser

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assumes title and ownership of delivered Work rendered as partial or complete performance of the Contract. "Acceptance" in this regard, unless specifically provided otherwise in the Contract Contract Special Provisions, means final Acceptance where the Contract provides for Provisional or Partial Acceptance;

- 27.1.2 "Correction" shall mean the elimination of a defect;
- 27.1.3 "Work" shall not include software.
- 27.2 The Contractor shall not be responsible under this Clause for the Correction of Defects in Purchaser Furnished Property, except for Defects in Contractor performed installation, unless the Contractor performs, or is obligated to perform, any modifications or other work on Purchaser Furnished Property. In that event, the Contractor shall be responsible for Correction of Defects that result from the modifications or other Work.
- 27.3 Unless another period of time is indicated in the Contract Contract Special Provisions, the duration of the warranty provided by the Contractor and its Subcontractors shall be twelve (12) months from the date of Acceptance under this Contract as notified in writing by the Contracting Authority.
- 27.4 Any Work or parts thereof corrected or furnished in replacement and any services re-performed shall also be subject to the conditions of this Clause 27 to the same extent as Work initially accepted. The warranty, with respect to these Work, or parts thereof shall be equal in duration to that set forth in Clause 27.3, and shall run from the date of delivery of the corrected or replaced Work.
- 27.5 If the Contractor becomes aware at any time before Acceptance by the Purchaser (whether before or after tender to the Purchaser) or at a later time, that a Defect exists in any Work, the Contractor shall either promptly correct the Defect or promptly notify the Purchaser, in writing, of the Defect, using the same procedures prescribed in Clause 27.8.
- 27.6 The Purchaser will notify in writing the Contractor of the existence of a Failed Component and return to the Contractor the Failed Component within thirty (30) Days of the discovery of such failure. The transport of the Failed Component shall be at the expense of the Purchaser. The notification of the failure will include as much information as practicable about the circumstances and operating environment at the time of the failure. Upon receipt of such notification by the Purchaser (which may precede receipt of the Failed Component), the Contractor shall ship to the location of the Failed Component an identical component for installation by Purchaser personnel. The Contractor shall ship such replacement component(s) Delivery Duty Paid. Such transportation and replenishment charges are included in the cost of line item of the Contract identified as the warranty.
- 27.7 In such rare cases where the Failed Component is either too large to be

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easily transported or the Failed Component cannot be readily identified and isolated within the larger entity, the Contractor shall be notified by the Purchaser of the failure immediately by telephone, fax or e-mail. The Contractor shall provide technical support to the Purchaser personnel in identifying the Failed Component so as to afford the Purchaser the opportunity to return the Failed Component. In such a case where the Failed Component cannot be identified or is not cost effective or practical to ship to the Contractor's facility, the Contractor may elect to send field service personnel to the site of the failure and repair such equipment on location. In this event, such field service personnel shall be dispatched to the site of the failure within forty-eight (48) hours of initial notification. The expense of the technical support and field service shall be borne by the Contractor.

- 27.8 The Contractor shall conduct analysis of all Failed Components which are returned to him by the Purchaser or repaired in the field by Contractor field service personnel to determine the cause of the failure. The Contractor shall issue a report to the Purchaser within thirty (30) days of receipt of a returned item or field repair which contains the results of the analysis. The report shall contain the conclusion of the Contractor as to whether the cause of the failure was due to a Manufacturing Defect or a Design Defect and declare what course of remedial action the Contractor shall implement to prevent further failures of a similar nature. Repetitive failures of the same component may be grounds for a de facto determination by the Purchaser that a Design Defect exists.
- 27.9 If the Purchaser determines that a Design Defect exists in any of the Work accepted by the Purchaser under this Contract, the Purchaser shall promptly notify the Contractor of the Defect, in writing, within ninety (90) days after discovery of the Defect. Upon timely notification of the existence of a Defect, or if the Contractor independently discovers a Design Defect or Manufacturing Defect in accepted Work, the Contractor shall submit to the Purchaser, in writing within thirty (30) days, a recommendation for corrective actions, together with supporting information in sufficient detail for the Purchaser to determine what corrective action, if any, shall be undertaken.
- 27.10 The Contractor shall also prepare and furnish to the Purchaser data and reports applicable to any Correction required under this Clause (including revision and updating of all other affected data and already accepted documentation called for under this Contract) at no increase in the Contract price.
- 27.11 In the event of timely notice of a decision not to correct or only to partially correct, the Contractor shall submit a technical and cost proposal within forty-five (45) days to amend the Contract to permit Acceptance of the affected Work in accordance with the revised requirement, and an equitable reduction in the Contract price shall promptly be negotiated by the Parties and be reflected in a supplemental agreement to this Contract.
- 27.12 Within thirty (30) days after receipt of the Contractor's recommendations for corrective action and adequate supporting information in accordance with

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Clause 27.9, the Purchaser using sole discretion, shall give the Contractor written notice not to correct any Defect, or to correct or partially correct any Defect within a reasonable time.

- 27.13 The Contractor shall promptly comply with any timely written direction from the Purchaser to correct or partially correct a manufacturing or Design Defect, at no increase in the Contract price.
- 27.14 The Purchaser shall give the Contractor a written notice specifying any failure or refusal of the Contractor to:
- 27.14.1 conduct analyses of Failed components and implement a course of remedial action as required by Clauses 27.7 and 27.8;
 - 27.14.2 provide replacement components, technical support or on-location field repair service in accordance with Clauses 27.6 and 27.7; or
 - 27.14.3 prepare and furnish data and reports as required by Clause 27.10.
- 27.15 The notice referred to in Clause 27.14 shall specify a period of time following receipt of the notice by the Contractor in which the Contractor must remedy the failure or refusal specified in the notice.
- 27.16 If the Contractor does not comply with the Purchaser's written notice in Clause 27.14, the Purchaser may by Contract or otherwise:
- 27.16.1 Obtain detailed recommendations for corrective action from its own resources or third parties and either:
 - 27.16.2 correct the Work;
 - 27.16.3 replace the Work, and if the Contractor fails to furnish timely disposition instructions, the Purchaser may dispose of the non-confirming Work for the Purchaser's account in a reasonable manner, in which case the Purchaser is entitled to reimbursement from the Contractor, or from the proceeds, for the reasonable expenses of care and disposition, as well as for excess costs incurred or to be incurred;
 - 27.16.3.1 obtain applicable data and reports; and/or
 - 27.16.3.2 charge the Contractor for the costs incurred by the Purchaser.
- 27.17 In no event shall the Purchaser be responsible for any extension or delays in the scheduled deliveries or periods of performance under this Contract as a result of the Contractor's obligations to correct Defects, nor shall there be any adjustment of the delivery schedule or period of performance as a result of the Correction of Defects unless provided by a supplemental agreement with adequate consideration.

27.18 The rights and remedies of the Purchaser provided in this Clause shall not be affected in any way by any terms or conditions of this Contract concerning the conclusiveness of inspection and Acceptance and are in addition to, and do not limit, any rights afforded to the Purchaser by any other Clause of this Contract or applicable law.

28. **RIGHT OF ACCESS, EXAMINATION OF RECORDS**

28.1 The Contractor shall give to the Purchaser and/or his representative(s) full and free access to his premises as and when required for the purpose of this Contract and shall ensure the same right of access to the premises of his Sub-contractors, by the inclusion in any such Sub-contracts of a provision substantially as set forth in this Clause.

28.2 The Purchaser and/or his representative(s) shall continue to have such right of access and examination of records as set forth in Clause 28.1 above until final payment under the Contract or the end of the warranty provisions under the Contract, whichever occurs later.

28.3 The expiration of the Purchaser's rights as set forth in Clause 28.2 is further subject to the provisions of Clause 19 (Pricing of Changes, Amendments and Claims), where a three (3) year right is established following the agreement of contractual amendments or the settlement of claims based upon the submission of cost and pricing data.

28.4 The period of access and examination described in Clause 28.1 above for records not related to cost aspects of a dispute or claim but which relate to issues of fact arising under either proceedings under Clause 41 (Disputes) or Clause 42 (Arbitration), or the settlement of claims made by either Party pursuant to the performance of this Contract, shall continue until such appeals, litigation or claims have been disposed of.

29. **PATENT AND COPYRIGHT INDEMNITY**

29.1 The Contractor shall assume all liability against any and all third party claims that the services, Work and/or parts thereof, in whole or in part, infringe(s) an IPR in force in any countries, arising out of the manufacture, import, export, performance of the services or delivery of Work and/or out of the use or disposal by, or for the account of, the Purchaser of such Services and/or Work. The Contractor shall reimburse and/or indemnify the Purchaser, its officers, agents, employees and/or consultants: (i) for all costs, fees, damages, awards, settlement amounts and any other expenses awarded to the third party right holder against Purchaser and/or the final beneficiaries of the Work in relation to said third party claim; and (ii) for the costs and expenses incurred by the Purchaser in relation to said third party claims, including attorney fees. The Contractor shall be responsible for obtaining any licences necessary for the performance of this Contract and for making all other arrangements required to indemnify

the Purchaser from any liability for IPR infringement in said countries.

29.2 Each Party shall immediately notify the other of any intellectual property infringement claims of which he has knowledge and which pertain to the Work under this Contract.

29.3 This indemnity shall not apply under the following circumstances:

29.3.1 Patents or copyright which may be withheld from issue by order of the applicable government whether due to security regulations or otherwise;

29.3.2 An infringement resulting from specific written instructions from the Purchaser under this Contract;

29.3.3 An infringement resulting from changes made to the Work by the Purchaser without the Contractor prior written consent;

29.3.4 An infringement resulting from changes or additions to the Work subsequent to final delivery and Acceptance under this Contract.

30. INTELLECTUAL PROPERTY

30.1 *Purchaser Background IPR*

30.1.1 The Contractor is licensed to use, non-exclusively and royalty-free any Purchaser Background IPR that is or will be made available for the sole purpose of carrying out the Work.

30.1.2 The Contractor shall not use any Purchaser Background IPR other than for the purpose of carrying out the Work without the prior written agreement of the Purchaser. Any such agreement shall include the terms relating to such use.

30.1.3 The Purchaser gives no warranty as to the validity of any Purchaser Background IPR. The Contractor shall not do anything or act in any way which is inconsistent with or prejudicial to the ownership by the Purchaser of any Purchaser Background IPR.

30.2 *Contractor Background IPR*

30.2.1 Any use of Contractor Background IPR for the purpose of carrying out the Work pursuant to the Contract shall be free of any charge to Purchaser. The Contractor hereby grants to NATO a non-exclusive, royalty-free and irrevocable licence to use and authorise others to use any Contractor Background IPR for the purpose of exploiting or otherwise using the Foreground IPR.

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30.2.2 Any use of Contractor Background IPR is not limited to the number of users or the number of licenses required by the Contract for the use of system. The Purchaser reserves the right to use the Contractor Background IPR for any number of users and number of licenses as required, at no additional cost to the Purchaser.

30.3 ***Foreground IPR***

30.3.1 All Foreground IPR is the property of the Purchaser on behalf of NATO. Consequently, no statement shall be made restricting the rights of the Purchaser in the Foreground IPR.

30.3.2 The Contractor shall ensure that suitable arrangements are in place between its employees, agents, consultants and itself regarding Foreground IPR generated by said employees, agents, Subcontractors and consultants to allow the Contractor to fulfil its obligations under Clause 30.3.1 above.

30.3.3 The Contractor shall be entitled to use Foreground IPR on a non-exclusive, royalty free basis solely for the purpose of carrying out the Work.

30.3.4 The Contractor shall not use any Foreground IPR other than for the purpose of carrying out the Work without the Purchaser's prior written agreement. Any such agreement shall include terms relating to such use.

30.3.5 The Contractor shall provide the Purchaser, at the latest upon delivery of the Work and thereafter for the duration of the warranty and any purchased CLS agreement period, with full documented records of information in relation to the Work, including but not limited to, all drawings, specifications and other data that is necessary or useful to further develop, maintain and operate the Work.

30.3.6 The Contractor shall:

30.3.6.1 do all things necessary and sign all necessary or useful documents to enable the Purchaser to obtain the registration of the Foreground IPR as the Purchaser may require and select; and

30.3.6.2 to execute any formal assignment or other documents as may be necessary or useful to vest title to any Foreground IPR in the Purchaser.

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30.3.7 The Contractor undertakes:

30.3.7.1 to notify the Purchaser promptly of any invention or improvement to an invention or any design conceived or made by the Contractor; and

30.3.7.2 to provide the Purchaser with such information as the Purchaser may reasonably request in order to: (i) determine the patentability of such invention or improvement; (ii) assess the need for registering such invention or improvement; and (iii) evaluate the potential value to the Purchaser of such a patent or registration if issued.

30.3.8 If the Purchaser determines that it wishes to apply for one or more patents for the disclosed invention or improvement or for a registration for the disclosed design, it will prosecute such application(s) at its own expense. The Contractor undertakes to provide the Purchaser, at the Purchaser's expense, with such information and assistance as the Purchaser shall reasonably require to prosecute such application(s).

30.4 ***Third Party IPR***

30.4.1 Any use of Third Party IPR for the purpose of carrying out the Work pursuant to the Contract shall be free of any charge to the Purchaser. The Contractor hereby grants to NATO a non-exclusive, royalty-free and irrevocable licence to use and authorise others to use any Third Party IPR for the purpose of exploiting or otherwise using the Foreground IPR.

30.4.2 With the exception of COTS items, any use of Third Party IPR is not limited to the number of users or the number of licenses required by the Contract for the use of system. With the exception of COTS items, the Purchaser reserves the right to use the Third Party IPR for any number of users and number of licenses as required, at no additional cost to the Purchaser.

30.4.3 For COTS items, the Contractor shall be responsible for obtaining licences from the Third Party in line with the requirements of the Statement of Work (including numbers and locations of licences).

30.4.4 Where Third Party IPR is the subject of a licence or other agreement between the third party and the Purchaser or the Contractor, the Contractor shall not use any Third Party IPR for the purposes of carrying out work pursuant to the Contract

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

30.4.5 If, after the award of the Contract, the Contractor becomes aware of the existence of any Third Party IPR which the Contractor is using or believes is needed for the performance of the Contract, the Contractor shall immediately give the Purchaser a written report identifying such IPR and if they are compliant with the other provisions in the contract. Any Third Party IPR under this clause is subject to the prior written approval by the Purchaser.

30.4.6 The Purchaser may consider open source solutions alongside proprietary ones in developments provided that such solutions are fully compliant with the requirements of this Contract. Contractor shall disclose in advance the open source license associated with the contemplated open source solution. The Purchaser reserves the right to refuse the incorporation of open source solutions that are deemed inadequate for incorporation in a NATO application (e.g. post-back obligations).

30.5 Subcontractor IPR

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

31. SOFTWARE WARRANTY

31.1 Statement of the Warranties

31.1.1 The Contractor warrants that each Software delivered under this Contract will conform to all requirements specified in the Contract. This will also include Software design specifications, including software configuration.

31.1.2 Regardless of the Purchaser initiation of or participation in developing Software design or specifications, each Software delivered under this Contract will conform to the essential Performance requirements set forth in this Contract, as those essential Performance requirements measured,

tested, and verified by tests and procedures set forth in this Contract.

31.2 Notification Requirement

31.2.1 The Contractor agrees to notify the Purchaser in writing immediately after he first discovers that a defect(s) may exist in Software delivered under this Contract, unless the Purchaser has first notified the Contractor, in writing, of the same defect(s).

31.2.2 The Purchaser shall notify the Contractor upon discovery that a defect(s) may exist in any Software accepted by the Purchaser under this Contract, unless the Contractor has first notified the Purchaser, in writing of the same defect(s).

31.3 Duration of the Warranty

31.3.1 For each Software delivered under this Contract, the Contractor Warranties stated in paragraph 31.1 above shall extend to all defects discovered within 12 months from the date of acceptance of the Software by the Purchaser.

31.4 Purchaser Remedies for Breach

31.4.1 The rights and remedies of the Purchaser under this Software Warranty:

31.4.2 Are in addition to any rights and remedies of the Purchaser under any other provision of this Contract, including, but not limited to, the Purchaser's rights in relation to latent defects, fraud, or gross mistakes that amount to fraud; and

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

31.4.4 In the event of any defect as defined herein with respect to a Software delivered under this Contract, the Purchaser, in its sole discretion may:

31.4.4.1 Require the Contractor to take such action as may be necessary to eliminate the defect, at no additional cost to the Purchaser for materials, labour, transportation, or otherwise;

31.4.4.2 Require the Contractor to supply, at no additional cost to the Purchaser, all materials and instructions necessary for the Purchaser to eliminate the defect and to pay costs reasonably incurred by the Purchaser in taking such action as

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may be necessary to eliminate the defect, or;

31.4.4.3 Equitably reduce the contract price

31.4.5 The Purchaser may elect the remedies provided in paragraph 31.4.4.1 or 31.4.4.2 above notwithstanding any dispute respecting the existence of or responsibility for any alleged defect as defined herein with respect to any Software delivered under this contract, provided that the Contractor will not be required to pay costs incurred by the Purchaser under paragraph 31.4.4.2 until final determination of the defect. In the event that the alleged defect is subsequently determined not to be a defect subject to this warranty but the Contractor has incurred costs under paragraph 31.4.4.1 and 31.4.4.2 as required by the Contract by virtue of this paragraph 31.4.3, the contract price under this contract shall be equitably adjusted.

31.4.6 Election by the Purchaser of the remedy provided under paragraph 31.4.4.1 and 31.4.4.2 above shall not preclude subsequent election of a different remedy under paragraph 31.4.4 if the defect is not successfully eliminated under the prior election with one month of the notification under paragraph 31.4.2 above.

31.5 Limitations and Exclusions from Warranty Coverage

31.5.1 This Software Warranty shall not apply to alleged defects that the Contractor demonstrates to be in or otherwise attributable to the Purchaser furnished property as determined, tested, and verified by the tests and procedures set forth in this Contract. Notwithstanding this paragraph , a defect is not attributable to Purchaser furnished property if it is the result of installation or modification of Purchaser furnished property by the Contractor or of the integration of Purchaser furnished property into any Software delivered under this Contract.

31.5.2 Any Purchaser Furnished Property needs to be checked and approved by the Contractor. Approval is implied once the Contractor starts using the Purchaser Furnished Property.

31.6 Markings

31.6.1 All Deliverables under this Contract will identify the owner of the Deliverable and if applicable, will prominently include notice of the existence of its warranty, its substance, its duration, and instructions to notify the Purchaser promptly if the Software is found to be defective. The markings should also be included in

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the operating and/or maintenance manuals or instructions accompanying such Software.

- 31.6.2 All Deliverables regardless of the media they are delivered onto and which are subject to export control restrictions shall be clearly marked indicating the type and nature of restriction as well as the national law imposing such restrictions. Nothing in this provision is intended to invalidate, void, or otherwise limit the rights of the Purchaser under this Contract.

32. NATO CODIFICATION

- 32.1 For the purposes of this Clause "Technical Data" means the drawings, specifications and technical documentation of those items designated by the Purchaser to support the equipment covered by the Contract, and required to fully identify the items and, if applicable, draft item identifications to the extent and in the form to be agreed between the Codification Authority and the Contractor.
- 32.2 In order to ensure the orderly identification of equipment, the Contractor shall furnish at the request of the Codification Authority the Technical Data required for the identification of the items of supply to the NATO codification system in the time scale stated in this Contract.
- 32.3 A recommended spare parts list or a similar data carrier prepared in accordance with instructions provided by the Purchaser as the basis for codification shall be supplied by the Contractor by the date established in this Contract.
- 32.4 The Contractor shall supply or require his Sub-contractor(s)/supplier(s) to supply on request for the period of time specified in the Contract the relevant Technical Data for all items and sub-contracted items to the Codification Authority and the Purchaser. The Contractor shall require that each Sub-contractor/supplier shall include identical conditions in any subsequent order which he may place.
- 32.5 The drawings, specifications, related documentation and, if applicable, draft item identifications, prepared when possible by the true manufacturer of the item, shall be supplied by the Contractor or his Sub-contractor(s)/supplier(s) direct to the Codification Authority and, if required, to the Purchaser as and when they become available or, at the latest within the time limits specified in the Contract. The Contractor shall inform the Codification Authority and Purchaser within 21 Days of receipt of the request if the required Technical Data are not immediately available, and shall impose a similar obligation upon his Sub-contractor(s)/supplier(s).

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- 32.6 Except as hereinafter provided, the Contractor shall require the Sub-contractor(s)/supplier(s) to furnish on request the information direct to the Codification Authority in the Sub-contractor(s)/supplier(s)' country, but the Contractor shall remain responsible for ensuring that the information is so furnished. In the event of a Sub-contract order being placed with a manufacturer in a non-NATO country, the Contractor shall be responsible for obtaining Technical Data from the Sub-contractor/supplier and furnishing it to the Purchaser.
- 32.7 Technical Data relating to any Sub-contractor's/supplier's items shall include but not be limited to the name and address of the true manufacturer(s), his/their true reference number(s), drawing or item Part number(s) and applicable data in addition to any Part or reference number(s) allocated by the Contractor, plus draft item identification(s) if required by the Codification Authority.
- 32.8 The Contractor shall provide the Technical Data required for codification of those items ordered with this Contract and also for the pertaining support items ordered with future contracts, including updating information regarding all agreed modifications, design or drawing changes made to the equipment or detailed Parts.
- 32.9 If the Contractor has previously supplied Technical Data (for the purpose stated in Clause 31.2), the Contractor is to state this fact and indicate to whom they were supplied and the Contractor shall not under normal circumstances be required to make a further supply of the Technical Data already provided. The Technical Data furnished by the Contractor and Sub-contractor(s)/supplier(s) are to be presented in accordance with the requirements for the preparation of item identification(s) as outlined in the Guide for Industry provided by the Codification Authority.
- 32.10 The Contractor should contact the Codification Authority for any information concerning the NATO codification system. This information is to be found at: "http://www.nato.int/structur/ac/135/ncs_guide/e_guide.htm"

32.11 Markings

- 32.11.1 All Deliverables under this Contract will identify the owner of the Deliverable and, if applicable, will prominently include notice of the existence of its warranty, its substance, its duration, and instructions to notify the Purchaser promptly if the Software is found to be defective. The markings should also be included in the operating and/or maintenance manuals or instructions accompanying such Software.
- 32.11.2 All Deliverables regardless of the media they are delivered onto

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and which are subject to export control restrictions shall be clearly marked indicating the type and nature of restriction as well as the national law imposing such restrictions. Nothing in this provision is intended to invalidate, void, or otherwise limit the rights of the Purchaser under this Contract.

33. RELEASE FROM CLAIMS

33.1 Prior to final payment under this Contract, the Contractor and each assignee under this Contract shall execute and deliver a release discharging the Purchaser, its officers, agents and employees from all liabilities, obligations and claims arising out of or under this Contract subject only to the following exceptions:

33.1.1 specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;

33.1.2 claims for reimbursement of costs (other than expenses of the Contractor by reason of his indemnification of the Purchaser against patent liability) including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this Contract relating to patents.

33.1.3 a patent infringement resulting from specific written instructions from the Purchaser under this Contract.

33.1.4 a patent infringement resulting from changes or additions to the goods and services subsequent to final delivery and acceptance under this Contract.

34. ASSIGNMENT OF CONTRACT

34.1 The Purchaser reserves the right to assign this Contract, in whole or in part, to another NATO body, agency or representative within NATO or NATO Nations. In such a case, the Purchaser shall notify the Contractor accordingly in writing.

34.2 NATO shall remain responsible for its obligations under the Contract and for the actions of the body, agency or representative to which this Contract may be assigned.

35. TRANSFER AND SUB-LETTING

35.1 The Contractor shall not give, bargain, sell, assign, sub-let or otherwise dispose of the Contract or any part thereof or the benefit or advantage of the

Contract or any part thereof without the prior written consent of the Purchaser.

36. PURCHASER DELAY OF WORK

36.1 If the performance of all or any part of the Work is delayed or interrupted by an act of the Purchaser in the administration of this Contract, which act is not expressly or implicitly authorised by this Contract, or by the Purchaser's failure to act within the time specified in this Contract (or within a reasonable time if no time is specified), an adjustment shall be made for any increase in the cost of performance of this Contract caused by such delay or interruption and the Contract modified in writing accordingly.

36.2 Adjustment shall be made also in the delivery or performance dates and any other contractual provision affected by such delay or interruption. However, no adjustment shall be made under this Clause for any delay or interruption:

36.2.1 to the extent that performance would have been delayed or interrupted by any other cause, including the fault or negligence of the Contractor; or

36.2.2 for which an adjustment is provided or excluded under any other provision of this Contract.

36.3 No claim under this Clause shall be allowed:

36.3.1 if the Contractor has failed to notify the Purchaser in writing of the act or failure to act, indicating that this act or failure to act will result in a delay or increased costs;

36.3.2 for any costs incurred more than twenty (20) Days before the Contractor shall have notified the Purchaser in writing of the act or failure to act involved; and

36.3.3 unless the monetary claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such delay or interruption, but not later than the date of final payment under the Contract.

37. CONTRACTOR NOTICE OF DELAY

37.1 In the event that the Contractor encounters difficulty in complying with the Contract schedule date(s) for whatever reason, including actual or potential labour disputes, the Contractor shall immediately notify the Contracting Authority in writing, giving pertinent details. This data shall be deemed to be informational in character and shall not be construed as a waiver by the Purchaser of any schedule or date, or of any rights or remedies provided by law or under this Contract.

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37.2 Notwithstanding the above the Contractor shall be deemed to be in delay without notice from the Purchaser and only by simple expiry of the due date.

38. LIQUIDATED DAMAGES

38.1 If the Contractor:

38.1.1 fails to meet the delivery schedule of the Work or any performance milestones specified in the Schedule of Work to this Contract, or any extension thereof, or

38.1.2 fails to obtain acceptance of the delivered Work as specified in the Contract, or, if no time for acceptance is specified in the contract within a reasonable time after work is delivered.

the actual damage to the Purchaser for the delay will be difficult or impossible to determine. Therefore, in lieu of actual damages the Contractor shall pay to the Purchaser, for each day of delinquency in achieving the deadline or milestone, fixed and agreed liquidated damages of .1% (one tenth of per cent) per day of the associated payment set forth in the Schedule of Payments provided in the Contract Special Provisions. If no Schedule of Payments is specifically set forth in the Contract Special Provisions, the liquidated damages will be assessed against the price of the applicable contract line item (CLIN) of the Schedule of Supplies, Services and Prices.

38.2 In addition to the liquidated damages referred to above, the Purchaser shall have the possibility of terminating this Contract in whole or in part, as provided in Clause 39 (Termination for Default). In the event of such termination, the Contractor shall be liable to pay the excess costs provided in Clause 38.5.

38.3 The Contractor shall not be charged with liquidated damages when the delay arises out of causes beyond the control and without the fault or negligence of the Contractor as defined in Clause 39.6 (Termination for Default). In such event, subject to the provisions of Clause 41 (Disputes), the Purchaser shall ascertain the facts and extent of the delay and shall extend the time for performance of the Contract when in his judgement the findings of the fact justify an extension.

38.4 Liquidated damages shall be payable to the Purchaser from the first day of delinquency and shall accrue at the rate specified in Clause 38.1 to 20% of the value of each line item individually not to exceed 15% of the value of the total Contract. These liquidated damages shall accrue automatically and without any further notice being required.

38.5 The rights and remedies of the Purchaser under this clause are in addition to any other rights and remedies provided by law or under this Contract.

39. TERMINATION FOR DEFAULT

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- 39.1 The Purchaser may, subject to Clause 39.6 below, by written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor, inclusive but not limited to:
- 39.1.1 fails to make delivery of all or part of the Work within the time specified in the contract or any agreed extension thereof;
 - 39.1.2 fails to make progress as to endanger performance of this Contract in accordance with its terms;
 - 39.1.3 fails to meet the technical requirements or the Specifications of the Contract;
 - 39.1.4 fails to comply with Clause 11 (Security);
 - 39.1.5 transfer this Contract without the Purchaser's prior written consent;
 - 39.1.6 breaches any provision of this Contract; or
- 39.2 In the case of any of the circumstances set forth in Clause 39.1 above, the Purchaser shall issue a letter to the Contractor stating that an actual or potential default exists and requiring a response from the Contractor within ten (10) Days that identifies:
- 39.2.1 in the case of late delivery of Work, when the Contractor shall deliver the Work and what circumstances exist which may be considered excusable delays under Clause 39.6.
 - 39.2.2 in the case of the other circumstances identified in Clause 39.1 above, what steps the Contractor is taking to cure such failure(s) within a period of ten Days (or such longer period as the Purchaser may authorise in writing) after receipt of notice in writing from the Purchaser specifying such failure and identifying any circumstances which exist which may be considered excusable under Clause 39.6.
- 39.3 The Purchaser shall evaluate the response provided by the Contractor or, in the absence of a reply within the time period mentioned in Clause 39.2, all relevant elements of the case, and make a written determination within a reasonable period of time that:
- 39.3.1 sufficient grounds exist to terminate the Contract in whole or in part in accordance with this Clause and that the Contract is so terminated;

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- 39.3.2 there are mitigating circumstances and the Contract should be amended accordingly; or
 - 39.3.3 the Purchaser will enter a period of forbearance in which the Contractor must show progress, make deliveries, or comply with the Contract provisions as specified by the Purchaser. The Purchaser may apply other remedial actions as provided by this Contract during such period of forbearance. This period of forbearance shall in no event constitute a waiver of Purchaser's rights to terminate the Contract for default.
- 39.4 At the end of the period of forbearance, which may be extended at the Purchaser's discretion, the Purchaser may terminate this Contract in whole or in part as provided in Clause 39.1 if the Contractor has not made adequate progress, deliveries or compliance with the Contract provisions which were the terms of the period of forbearance.
- 39.5 In the event the Purchaser terminates this Contract in whole or in part, as provided in Clause 39.1, the Purchaser may procure, upon such terms and in such manner as the Purchaser may deem appropriate, Work similar to those so terminated, and the Contractor shall be liable to the Purchaser for any excess costs for such similar Work; however, the Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.
- 39.6 Except with respect to the default of Sub-contractors, the Contractor shall not be held liable for a termination of the Contract for default if the failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of the Contractor.
- 39.6.1 Such causes may include, but are not restricted to, acts of God, acts of the public enemy, acts of the Purchaser in its contractual capacity, acts of sovereign governments which the Contractor could not reasonably have anticipated, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor.
 - 39.6.2 If the failure to perform is caused by the default of a Sub-contractor, and if such default arises out of causes beyond the control of both the Contractor and Sub-contractor, without the fault or negligence of either of them, the Contractor shall not be held liable for a termination for default for failure to perform unless the Work to be furnished by the Sub-contractor were obtainable from other sources in sufficient time to permit

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the Contractor to meet the required delivery schedule.

- 39.7 If this Contract is terminated as provided in Clause 39.1, the Purchaser, in addition to any other rights provided in this Clause and the Contract, may require the Contractor to transfer title and deliver to the Purchaser, in the manner and to the extent directed by the Purchaser:
- 39.7.1 any completed Work with associated rights ;
 - 39.7.2 such partially completed Work, materials, Parts, tools, dies, jigs, fixtures, plans, drawings, information, and Contract rights (hereinafter called "Manufacturing materials") with associated rights as the Contractor has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated;
- 39.8 In addition to Clause 39.7, the Contractor shall, upon direction of the Purchaser, protect and preserve property in the possession of the Contractor in which the Purchaser has an interest.
- 39.9 Payment for completed Work delivered to and accepted by the Purchaser shall be at the Contract price.
- 39.10 Payment for manufacturing materials delivered to and accepted by the Purchaser and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Purchaser, failure to agree to such amount shall be a dispute within the meaning of Clause 41 (Disputes).
- 39.11 The Purchaser may withhold from amounts otherwise due to the Contractor for such completed Work or manufacturing materials such sum as the Purchaser determines to be necessary to protect the Purchaser against loss because of outstanding liens or claims of former lien holders.
- 39.12 If, after notice of termination of this Contract under the provisions of this Clause, it is determined for any reason that the Contractor was not in default under the provisions of this Clause, or that the default was excusable under the provisions of this Clause, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Clause 40 (Termination for the Convenience of the Purchaser).
- 39.13 If after such notice of termination of this Contract under the provisions of this Clause, it is determined for any reason that the Contractor was not in default under the provisions of this Clause and that the Parties agree that the Contract should be continued, the Contract shall be equitably adjusted to compensate for such termination and the Contract modified accordingly. Failure to agree to any such adjustment shall be a dispute within the meaning of Clause 41 (Disputes).
- 39.14 The rights and remedies of the Purchaser provided in this Clause shall not be

exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

40. TERMINATION FOR THE CONVENIENCE OF THE PURCHASER

- 40.1 The performance of Work under this Contract may be terminated by the Purchaser in accordance with this Clause in whole, or from time to time in part, whenever the Purchaser shall determine that such termination is in the best interest of the Purchaser.
- 40.2 Any such termination shall be effected by delivery to the Contractor of a written notice of termination, signed by the Contracting Authority, specifying the extent to which performance of Work under the Contract is terminated, and the date upon which such termination becomes effective.
- 40.3 After receipt of a Notice of Termination and except as otherwise directed by the Contracting Authority, the Contractor shall:
 - 40.3.1 stop the Work on the date and to the extent specified in the notice of termination;
 - 40.3.2 place no further orders or Sub-contracts for Work, Parts, materials, services or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated;
 - 40.3.3 terminate all orders and Sub-contracts to the extent that they relate to the performance of Work terminated by the Notice of Termination;
 - 40.3.4 assign to the Purchaser, in the manner, at the times and to the extent directed by the Purchaser, all of the right, title and interest of the Contractor under the orders and Sub-contracts so terminated, in which case the Purchaser shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and Sub-contracts;
 - 40.3.5 settle all outstanding liabilities and all claims arising out of such termination of orders and Sub-contracts, with the approval or ratification of the Purchaser to the extent he may require, which approval or ratification shall be final for all the purposes of this Clause;
 - 40.3.6 transfer title and deliver to the Purchaser in the manner, at the times, and to the extent, if any, directed by the Contracting Authority of:

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- 40.3.6.1 the fabricated parts, work in process, completed work, Work, and other material produced as a part of, or acquired in connection with the performance of the Work terminated by the notice of termination, and
- 40.3.6.2 the completed or partially completed plans, drawings, information, and other property which, if the Contract had been completed, would have been required to be furnished to the Purchaser;
- 40.3.7 use his best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorised by the Contracting Authority, any property of the types referred to in Clause 40.3.6 above. However, the Contractor:
 - 40.3.7.1 shall not be required to extend credit to any Buyer; and
 - 40.3.7.2 may acquire any such property under the conditions prescribed by and at a price or prices approved by the Purchaser; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Purchaser to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work or paid in such manner as the Contracting Authority may direct;
- 40.3.8 complete performance of such part of the Work as shall not have been terminated by the Notice of Termination; and
- 40.3.9 take such action as may be necessary, or as the Purchaser may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the Purchaser has or may acquire an interest.
- 40.4 The Contractor may submit to the Purchaser a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorised by the Purchaser, and may request the Purchaser to remove such items or enter into a storage agreement covering the same; provided that the list submitted

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shall be subject to verification by the Purchaser upon removal of the items, or if the items are stored, within forty-five (45) Days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

- 40.5 After receipt of a notice of termination, the Contractor shall submit to the Purchaser his termination Claim for the Work covered by the notice of termination, in the form and with certification prescribed by the Purchaser. Such claim shall be submitted promptly but in no event later than six (6) months from the effective date of termination, unless one or more extensions are granted in writing by the Purchaser, upon request of the Contractor made in writing within such six-month period or authorised extension thereof. However, if the Purchaser determines that the facts justify such action, the Purchaser may receive and act upon any such termination claim at any time after such six-month period or any extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Purchaser may determine on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.
- 40.6 Subject to the provisions of Clause 40.5, the Contractor and the Purchaser may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the total or partial termination of Work pursuant to this Clause, which amount or amounts may include a reasonable allowance for profit on work done; provided that such agreed amount or amounts exclusive of settlement costs shall not exceed total Contract price as reduced by the amount of payments otherwise made and as further reduced by the Contract price of the Work not terminated. The Contract shall be amended accordingly and the Contractor shall be paid the amount agreed.
- 40.7 In the event of the failure of the Contractor and the Purchaser to agree as provided in Clause 40.6 upon the whole amount to be paid to the Contractor by reason of the termination of Work pursuant to Clause 40, the Purchaser shall pay to the Contractor the amounts determined by the Purchaser as follows, but without duplication of any amounts agreed upon in accordance with Clause 40.6 the total of:
- 40.7.1 for completed Work accepted by the Purchaser (or sold or acquired as provided in Clause 40.3 above) and not therefore paid for, a sum equivalent to the aggregate price for such Work computed in accordance with the price or prices specified in the Contract, appropriately adjusted for any saving of freight or other charges;
 - 40.7.2 the costs incurred in the performance of the Work terminated including initial costs and preparatory expense allocable thereto, but exclusive of any costs attributable

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to Work paid or to be paid for under Clause 40.7.1;

- 40.7.3 the cost of settling and paying claims arising out of the termination of work under Sub-contracts or orders, as provided in Clause 40.3.5, which are properly chargeable to the terminated portion of the Contract, exclusive of amounts paid or payable on account of Work or materials delivered or services furnished by Sub-contractors or vendors prior to the effective date of the notice of termination, which amounts shall be included in the costs payable under Clause 40.7.2; and
 - 40.7.4 a sum, as profit on Clause 40.7.1 above, determined by the Purchaser to be fair and reasonable; provided, however, that if it appears that the Contractor would have sustained a loss on the entire Contract, had it been completed, no profit shall be included or allowed and an appropriate adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss; and
 - 40.7.5 the reasonable costs of settlement, including accounting, legal, clerical and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination and settlement of Sub-contracts there under, together with reasonable storage, transportation, and other costs incurred in connection with the protection, or disposition of property allocable to this Contract.
- 40.8 The total sum to be paid to the Contractor under Clause 40.7 shall not exceed the total Contract price as reduced by the amount of payments otherwise made and as further reduced by the Contract price of Work not terminated.
- 40.9 Except for normal spoilage, and except to the extent that the Purchaser shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to the Contractor, as provided in Clause 40.7 above, the fair value, as determined by the Purchaser, of property which is destroyed, lost, stolen, or damaged so as to become undeliverable to the Purchaser, or to a buyer pursuant to Clause 40.3.7 above.
- 40.10 The Contractor shall have the right to dispute, under the Clause 41 (Disputes), any determination made by the Purchaser under Clauses 40.5 and 40.7, except that if the Contractor has failed to submit his claim within the time provided in Clause 40.5 and has failed to request extension of such time, the Contractor shall be foreclosed from his right to dispute said determination. In

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any case where the Purchaser has made a determination of the amount due under Clauses 40.5 and 40.7, the Purchaser shall pay the Contractor the following:

40.10.1 if there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Purchaser, or

40.10.2 if an appeal has been taken, the amount finally determined on such appeal.

40.11 In arriving at the amount due to the Contractor under this Clause there shall be deducted:

40.11.1 all unliquidated advance or other payments on account theretofore made to the Contractor, applicable to the terminated portion of this Contract;

40.11.2 any claim which the Purchaser may have against the Contractor in connection with this Contract; and

40.11.3 the agreed price for, or the proceeds of the sale of, any materials, Work, or other things acquired by the Contractor or sold, pursuant to the provisions of this Clause, and not otherwise recovered by or credited to the Purchaser.

40.12 If the termination hereunder is partial, prior to the settlement of the terminated portion of this Contract, the Contractor may file with the Purchaser, in accordance with Clause 16 (Changes), a request in writing for an equitable adjustment of the price or prices relating to the continued portion of the Contract (the portion not terminated by the notice of termination), and such equitable adjustment as may be agreed upon shall be made in such price or prices.

40.13 The Purchaser may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of this Contract whenever in the opinion of the Purchaser the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payment is in excess of the amount finally agreed or determined to be due under this Clause, such excess shall be payable by the Contractor to the Purchaser upon demand, together with interest calculated using the average of the official base rate(s) per annum of the deposit facility rate as notified by the European Central Bank or such other official source as may be determined by the Purchaser, for the period from the date the excess is received by the Contractor to the date such excess is repaid to the Purchaser, provided, however, that no interest shall be charged with respect to any such excess payment attributed to a reduction in the

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Contractor's claim by reason of retention or other disposition of termination inventory until ten days after the date of such retention or disposition or such later date as determined by the Purchaser by reason of the circumstances.

40.14 Unless otherwise provided for in this Contract, the Contractor, from the effective date of termination and for a period of three years after final settlement under this Contract, shall preserve and make available to the Purchaser at all reasonable times at the office of the Contractor, but without direct charge to the Purchaser, all his books, records, documents, computer files and other evidence bearing on the costs and expenses of the Contractor under this Contract and relating to the work terminated hereunder, or, to the extent approved by the Purchaser, photographs, micro-photographs, or other authentic reproductions thereof.

41. DISPUTES

41.1 Except to the extent to which special provision is made elsewhere in the Contract, all disputes, differences or questions which are not disposed of by agreement between the Parties to the Contract with respect to any matter arising out of or relating to the Contract, other than a matter as to which the decision of the Contracting Authority under the Contract is said to be final and conclusive, shall be decided by the Contracting Authority. The Contracting Authority shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor.

41.2 The Contracting Authority shall not proceed with the evaluation and decision in respect of any claim until and unless the Contractor has submitted the attestation as foreseen in Clause 18 (Claims), as well as the complete proof and evidence of the claim (either by submission or by identification of the relevant documentation).

41.3 The Contracting Authority's decision shall be final and conclusive unless, within 30 Days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Authority his decision to open arbitration proceedings in accordance with the Clause 42 (Arbitration). The burden of proof for both receipt and delivery of such documentation shall be by signed and dated registered mail receipt or by hand receipt as acknowledged and signed by the Contracting Authority.

41.4 Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the Contract, unless otherwise instructed by the Contracting Authority.

42. ARBITRATION

42.1 Within a period of thirty days from the date of receipt of the notification referred to in Clause 41.3 above, the Parties shall jointly appoint an arbitrator. In the event of failure to appoint an arbitrator, the dispute or disputes shall be

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submitted to an Arbitration Tribunal consisting of three arbitrators, one being appointed by the Purchaser, another by the other contracting party and the third, who shall act as President of the Tribunal, by these two arbitrators. Should one of the Parties fail to appoint an arbitrator during the fifteen days following the expiration of the first period of thirty days, or should the two arbitrators be unable to agree on the choice of the third member of the Arbitration Tribunal within thirty days following the expiration of the said first period, the appointment shall be made, within twenty-one days, at the request of the Party instituting the proceedings, by the Secretary General of the Permanent Court of Arbitration at The Hague.

- 42.2 Regardless of the procedure concerning the appointment of this Arbitration Tribunal, the third arbitrator will have to be of a nationality different from the nationality of the other two members of the Tribunal.
- 42.3 Any arbitrator must be of the nationality of any one of the member states of NATO and shall be bound by the rules of security in force within NATO.
- 42.4 Any person appearing before the Arbitration Tribunal in the capacity of an expert witness shall, if he is of the nationality of one of the member states of NATO, be bound by the rules of security in force within NATO. If he is of another nationality, no NATO classified documents or information shall be communicated to him.
- 42.5 An arbitrator, who, for any reason whatsoever, ceases to act as an arbitrator, shall be replaced under the procedure laid down in Clause 42.1 above.
- 42.6 The Contractor agrees to submit to the Arbitration Tribunal only such issues, facts, evidence and proof which the Contractor had beforehand identified and submitted to the Contracting Authority for decision in accordance with Clause 41 (Disputes). The jurisdictional authority of the Arbitration Tribunal shall be restricted to consider only those identical issues, facts, evidence and proof so identified and submitted to the Contracting Authority.
- 42.7 The Purchaser likewise agrees to restrict its submissions only to the information on which the Contracting Authority based its decision and not to introduce new information and arguments which cannot reasonably be deduced or inferred from the written decision of the Contracting Authority in response to the original dispute.
- 42.8 The Arbitration Tribunal will take its decisions by a majority vote. It shall decide where it will meet and, unless it decides otherwise, shall follow the arbitration procedures of the International Chamber of Commerce in force at the date of signature of the present Contract.
- 42.9 The awards of the arbitrator or of the Arbitration Tribunal shall be final and there shall be no right of appeal or recourse of any kind. These awards shall

determine the apportionment of the arbitration expenses.

42.10 Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the Contract, unless otherwise instructed by the Contracting Authority.

43. SEVERABILITY

43.1 If one or more of the provisions of this Contract is declared to be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions shall not be affected. Each of the Parties shall use its best efforts to immediately and in good faith negotiate a legally valid replacement provision.

44. APPLICABLE LAW

44.1 This Contract shall be governed, interpreted and construed in accordance with the private contract law of the Kingdom of Belgium.

* *

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

1. With regard to all actions included in Clause 19," Pricing of Changes, Amendments and Claims", the Parties agree that the Purchaser's Pricing Principles contained herein shall govern.
2. As may be requested by the Purchaser, the Contractor shall provide documentation. that the standards or principles employed in the submission of cost or pricing data are in conformance with governing national policies and regulation. The Contractor, when submitting a price proposal based upon national standards and regulations, shall provide a point of contact within the national body governing such standards and regulations in order to allow Purchaser verification and audit.
3. Where such conformance cannot be demonstrated to the satisfaction of the Purchaser, the Purchaser's Pricing Principles will govern.
4. The Contractor shall clearly state whether national standards and rules or the Purchaser's Pricing Principles and formats are the basis for the price proposal.
5. Whether national standards or Purchaser pricing principles are applied, all cost and pricing data shall be verifiable, factual and include information reasonably required to explain the estimating process.
6. The Contractor shall also incorporate provisions corresponding to those mentioned herein in all sub-contracts, and shall require price and cost analysis provisions be included therein.

B. Purchaser's Pricing Principles

1. Allowable cost

A cost is allowable for consideration by the Purchaser if the following conditions are fulfilled:

- (a) it is incurred specifically for the Contract or benefits both the Contract and other work or is necessary to the overall operation of the business although a direct relationship to any particular product or service cannot be established and is allocated to them in respective proportion according to the benefit received;

i. Direct Costs

A direct cost is any cost which can be identified specifically with a particular cost objective as generally accepted. Direct costs are not limited to items which are incorporated in the end product as material or labour.

ii. Indirect Costs

An indirect cost is one which is not readily subject to treatment as a direct cost. When presented these costs shall be accumulated in logical cost groupings in accordance with sound accounting principles and the Contractor's established practices. An indirect cost may be allocated to more than one final cost objective. An indirect cost shall not be allocated to a final cost objective if other costs incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective. Such costs shall be presented as overhead rates and be applied to each related direct cost grouping.

- (b) The Contractor shall specify the allocation of costs to either of the cost groupings. The method by which costs are accumulated and distributed as part of direct or indirect costs cannot be modified during the duration of the Contract.
- (c) it is reasonable and expedient in its nature and amount and does not exceed that which would be incurred by an ordinary prudent person in the conduct of competitive business;
- (d) it is not liable to any limitations or exclusion as to types or amounts of cost items as set forth herein.
- (e) The Purchaser will review other costs presented against the contract and will determine if they would be allowable.

2. Unallowable Costs

In general all costs which cannot be shown by the contractor to be directly or indirectly of benefit to the Contract are totally unallowable. =Examples of such costs are, among others:

- (a) Advertising costs
- (b) Costs of remuneration, having the nature of profit sharing.
- (c) Costs of maintaining, repairing and housing idle and excess facilities.
- (d) Fines and penalties as well as legal and administrative expenses resulting from a violation of laws and regulations.
- (e) Losses on other contracts or on expected follow-on contracts
- (f) Costs incurred for the creation of reserves for general contingencies or other reserves (e.g. for bad debts, including losses).
- (g) Losses on bad debts, including legal expenses and collection costs in connection with bad debts.

- (h) Costs incurred to raise capital.
- (i) Gains and losses of any nature arising from the sale or exchange of capital assets other than depreciable property.
- (j) Taxes on profits.
- (k) Contractual penalties incurred.
- (l) Commissions and gratuities.
- (m) Interest on borrowings.

3. Rates and Factors

- (a) The Contractor shall inform the Purchaser of his rates and factors the basis upon which they were computed.
- (b) If the Contractor's rates and factors for similar contracts placed with national or international public services have not been established or approved by a government agency or an agency accepted by his government, the Contractor shall provide the necessary data to support the proposed rates.
- (c) The term "provisional " used in the title of a rate or factor means a tentative rate established for interim billing purposes pending negotiation and agreement to the final rate or factor.
- (d) A rate or factor is pre-determined if it is fixed before or during a certain period and based on (estimated) costs to be incurred during this period. An rate or factor is post-determined if it is fixed after a certain period and based on costs actually incurred during this period. Pre-determined rates or factors shall be agreed upon as final rates whenever possible; otherwise the provisions of paragraph 3c above shall apply pending agreement to post-determined rates or factors.
- (e) Such rates or factors shall be determined on the basis of Contractor's properly supported actual cost experience.
- (f) If the rates or factors of the Contractor for similar contracts placed by national or international public services have been established or approved by a government agency or an agency accepted by his government and the Contractor proposes the application of these rates, he shall state the name and address of the agency which has accepted or approved the rates and the period for which they were established. If he proposes rates which vary from the rates mentioned above, he shall furthermore provide a justification for the difference.

4. Profit/Benefit

- (a) Over the entire life cycle of a given acquisition, Profit and/or Benefit may be subject to negotiation.
- (b) Subcontracting profit/benefit amounts are dependent upon the size, nature and oversight needs of the subcontract(s) the prime contractor will use for work performance period.
- (c) Profit/benefit is considered by the Purchaser to be directly related to the anticipated risk of the Contractor during the performance of the Contract.



**PROVIDE ACUTE COMMUNICATION
SERVICES OBSOLESCENCE - PROVISION OF
VTC POLY CODECS**

**RFQ-CO-115785-VTC
PART IV
STATEMENT OF WORK**

[Label]

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Section 1. Introduction

1.1. Purpose

0001 The purpose of this SOW is to specify the devices that need to be procured via this Contract and the conditions for that procurement.

1.2. Background information

0002 This procurement is part of the scope of UR3332 which is an Urgent Requirement project addressing the obsolescence of certain core services, amongst others, of the NATO-Wide Studio VTC service (NWSVTC).

1.3. Operational Objectives

0003 The VTC devices to be procured under this contract will be incorporated into the NWSVTC system via an external implementation project procured independently from this Contract.

1.4. General Requirements

0004 The devices to be procured shall be original VTC CODECs from the manufacturer Poly.

0005 The devices to be procured shall have at least 1 year warranty and shall include Poly Plus maintenance support.

Section 2. Scope of Work

2.1. Project main activities

0006

The Contractor shall:

- a. Execute the project in line with the general requirements,
- b. Organise, manage and report on the contracted work as directed by the project management requirements,
- c. Deliver the required hardware devices at the required location and in accordance with the Schedule of Supplies and Services,
- d. Ensure that the offered and delivered devices are guaranteed to be subject to the provision of logistic and service support in terms of availability of spares for at least 5 years as of Purchaser final acceptance of the devices.

Section 3. PROJECT MANAGEMENT

3.1. Purchaser

0007 The Project will be managed and subject to review by the Purchaser, who will be represented by the NCIA Project Manager and the Contracting Officer.

0008 The Purchaser will manage the project using the PRINCE2 project management methodology. Under this methodology, the Project Executive (The Purchaser) controls the project through a Project Board, which he/she chairs.

3.2. Contractor's Responsibility, Organisation and Personnel

0009 No specific Project Management activities are required from the Contractor The Contractor shall only be responsible for the preparation and provision of the Delivery Plan as well as monthly Project reporting via email.

3.3. Delivery Plan

0010 The Delivery Plan shall be prepared by the Contractor and be limited to a delivery plan/schedule, including the lead times for the delivery of the equipment / different batches of equipment (if more than one batch).

3.4. Meetings

0011 No specific meetings are expected apart from an initial meeting at the signature of the contract and the Final Acceptance.

0012 Ad Hoc Working Meetings may be called on request of either the Purchaser or the Contractor to resolve problems, clarify project requirements or review progress.

0013 All these meetings will generally be conducted via VTC/telephone upon agreement by the Purchaser.

3.5. Project Reports

3.5.1. General

0014 Unless otherwise specified, the Contractor shall apply the general Report requirements as stated in this section to all reports required under this contract.

0015 The reports shall:

- a. be limited to NATO UNCLASSIFIED;
- b. be delivered to the Purchaser's Project office via e-mail;
- c. conform to the documentation requirements defined in Section 5.

3.5.2. Project Reports

0016 From Contract Award (CAW) until Final Acceptance (FA), the Contractor shall prepare and submit a Project Report to the Purchaser via email, on a monthly basis.

0017 The Project Checkpoint Report shall contain, as a minimum, the following information:

- a. Date of checkpoint;
- b. Period covered;
- c. Follow-ups from previous reports;
- d. Progress during the period;

- e. Progress to be completed during the next period;
- f. Identified risks (issue and risk logs), impacts, and planned actions.

Section 4. System Security Requirements

0018 No specific System Security Requirements are required.

Section 5. Documentation Management

5.1. General

- 0019 All correspondence between the Contractor and the Purchaser shall be in English, United Kingdom (UK).
- 0020 The convention to be used for dates appearing in free text (e.g. quoting dates of meetings) shall be day-month-year.
- 0021 The metric systems shall be used.
- 0022 All documentation (e.g., plans, schedules, reports, etc.) shall be furnished as an electronic copy. In general the following guidelines shall be used:
- a. Microsoft Word shall be used for generating text documents;
 - b. Microsoft Excel shall be used for tabular or matrix data;
 - c. Microsoft Project shall be used for schedule; and
 - d. Any other format shall be approved by the Purchaser.
- 0023 All deliverable documents shall be provided in a format that can be edited and that do not contain passwords or other document protection mechanisms.
- 0024 In addition to the native format as required above, all project management documentation shall also be delivered as electronic copies in Pdf format.

5.2. Documentation Review

- 0025 The Contractor shall provide a first draft of each deliverable, including the security documentation, for Purchaser review by the date specified in the Documentation List in CDRL, or as agreed between the Purchaser and Contractor.
- 0026 The Purchaser will provide comments, corrections, and suggested changes to the Contractor within two weeks of receipt, unless agreed differently between the parties.
- 0027 The Purchaser reserves the right to return without complete review a document that has significant deficiencies.
- 0028 The Contractor shall not rely on the Purchaser review to fill in deficiencies or obtain missing Purchaser information.
- 0029 The Contractor shall resubmit the document as a final version, incorporating the Purchaser's comments, within two weeks of receipt of Purchaser comments, unless agreed differently between the parties.

5.3. Contract Document Requirements List (CDRL)

- 0030 The Contractor shall update, maintain and provide to the Purchaser a Contract Document Requirements List (CDRL) as part of the Project Report. The CDRL shall contain the status of all documentation to be provided under the Contract: Title, reference, quantity and status (i.e. draft, approved, revision level. etc.). A final version of the CDRL shall be delivered to the Purchaser prior to Final Acceptance.
- 0031 The Contractor shall also maintain version control of all documentation submitted throughout the Project life cycle.
- 0032 The CDRL shall contain the following documents:

DOCUMENT NAME	Schedule
Delivery Plan	Contract award +2 Weeks and updates to be included with the Project Reports on a monthly basis
Project Reports	Monthly
OEM Documents	With the delivery of the first batch of equipment (if several batches) of a specific device model
Certificates of Conformity (CoC)	At the delivery of each batch of equipment (if several batches)
Risk Log	Integrated in each of the Project Reports
Material Data Sheet (MDS)	At the delivery of each batch of equipment (if several batches)

5.4. Delivery of Documentation

0033 The Contractor shall deliver the documents listed at the CDRL and shall remain responsible for producing any required changes to the documentation during the warranty period. These shall always be in the form of change pages; pen and ink corrections shall not be acceptable.

0034 The Contractor shall be the responsible authority for the issue, control, and distribution of amendments to delivered documentation in the format provided for the associated equipment or system until expiration of the warranty period.

Section 6. Integrated Product Support

6.1. Schedule of Supply and Services (SSS)

0035 All equipment deliverables shall be delivered by the Contractor in the quantities and as per the requirements defined in this Contract, as reflected in the SSS, to NATO CIS Sustainment Support Center (CSSC) in Brunssum (NLD), unless otherwise stated by the Purchaser:

CSSC Brunssum
Receipt & Dispatch, BLDG H204
Rimbürgerweg 30
NL-6445 PA Brunssum
The Netherlands

0036 The Contractor shall deliver the equipment in one unique batch or in several batches of at least 50 devices, unless agreed upon differently by the Purchaser.

6.2. Obsolescence Management

0037 The Contractor shall ensure that the Poly VTC CODECs are sustainable for a minimum of 5 years after Purchaser confirmed Final Acceptance.

6.3. Packaging, Handling, Storage & Transportation (PHST)

6.3.1. Packaging

0038 The Contractor shall, for the purpose of transportation, package, crate, or otherwise prepare the various supplies in accordance with the best commercial practices for the types of supplies involved, giving due consideration to shipping and other hazards associated with the transportation of consignments overseas. If applicable, the Contractor shall provide special packing instructions for the shipment of repairable items, to the Purchaser at no extra cost.

Packing lists

0039 The Contractor shall produce packing lists to accompany shipments in such a way as to permit easy identification of the deliverables. Each consignment shall have one packing list in weather-proof envelope affixed to the outside of each container/box which indicates exactly what is contained inside; one copy shall also be put inside each container/box. The packing lists shall contain the following information as a minimum:

- a. Shipping address
- b. Package Number
- c. Contract Number
- d. Item Description
- e. Part Number
- f. NATO Stock Number (NSN) (if available)
- g. Serial Number (if available)
- h. Quantity Shipped.

Markings

0040 The package or containers in which supplies are transported shall, in addition to normal mercantile marking, show on a separate nameplate the name of this project, Contract number and delivery address.

6.3.2. Handling

Material Data Sheet (MDS)

0041 The Contractor shall provide a full and complete Inventory/Material Data Sheet (MDS) for all items and documents delivered under this contract at least ten (10) working days before shipment. The MDS template shall be in the form of an Excel spreadsheet containing the following information:

Field	Description
CLIN	Contract Line Item Number (number-10 digits maximum). Sequence number assigned to a particular line item in a given contract. The combination CLIN-Contract No. shall always be unique.
Nomenclature	Short Item Description (text- 35 digits). Should always start with the main item name followed if possible by a technical specification, followed by the next higher assembly names in hierarchical order, separated by commas. E.g. for a coax connector of a television cable the nomenclature should read: CONNECTOR, COAX, CABLE, TELEVISION.
EQRE (XB/ND)	Code (text-2 digits). Defines whether an item is repairable (ND) or not (XB) from a technical point of view.
True Manufacturer Part Number	True Manufacturer P/N (text-32 digits). Part Number given to this item by the original manufacturer.
True Manufacturer Code (or complete name and address)	True Manufacturer Code (text-5 digits). Code of the Company that has manufactured this item. This is an internationally recognized 5-digit code which is unique to that company. It corresponds to the "cage code" in the USA. Manufacturer Codes and Cage Codes are obtainable from the national governmental authorities or, if it already exists, from the "NATO Master Cross-Reference List" (NMCRL) obtainable from NSPA. In case the code cannot be obtained, it will be sufficient to enter the complete name and address information of the true manufacturer.
Vendor/Contractor Code (or complete name and address)	Vendor (Contractor) (text-5 digits). Company which sells the item or the complete system to which this item belongs. The vendor is the company with which the contract is placed but is not necessarily the true manufacturer of the item. If the vendor company has also designed and integrated the complete system it is also known as Original Equipment Manufacturer (OEM). The company code is an internationally recognized 5-digit code which is unique to that company. It corresponds to the "cage code" in the USA. Manufacturer Codes and Cage Codes are obtainable from the national governmental authorities or, if it already exists, from the "NATO Master Cross-Reference List" (NMCRL) obtainable from NSPA. In case the code cannot be obtained, it will be sufficient to enter the complete name and address information.
Vendor/Contractor Part Number	Vendor (Contractor) P/N (text-32 digits). Part Number given to this item by the company which sells the item or the complete system to which this item belongs. The vendor is the company with which the contract is placed but is not necessarily the true manufacturer of the item.

Field	Description
QTY ordered	<p>Item Quantity (number-5 digits). Shows the quantity of this item ordered as individual item in this contract, i.e. if it is not delivered built-in in another unit.</p> <p>In case the item is not ordered as individual item or as spare unit but is built-in in another assembly, enter "0" (zero) in this field and complete fields: "Part Number of next higher assembly" and "qty in next higher assembly".</p> <p>Serialized items shall only have a quantity of 1.</p>
Order Unit	Order Unit (text-2 digits). Unit under which the item is sold, e.g. each, set, meter, etc.
Serialized Item Tag	Serialized Items Tag (text-1 digit). Add a "Y" if the item carries a serial number independently whether serial numbers is already known or not. If known, complete column "Serial Number".
Serial Number	Serial Number. If Serialized Item Tag is "Y" (yes) then add serial number here. (1 serial number per line). If system is already installed, then the Contractor shall indicate here the serial numbers installed at user site. For items to be delivered to depots the Contractor may not know the serial number in advance, in that case it will be completed by the receiving site.
Serial Number Software Revision Level	Firmware/software Revision Level (text- 30 digits but can be expanded as necessary) If item carries a serial number and field "serial number" is completed, add SW revision level / version here if appropriate.
Serial Number Hardware Revision Level	Hardware Revision Level (text- 30 digits but can be expanded as necessary) If item carries a serial number and field "serial number" is completed, add HW revision level / version here if appropriate.
Other Serial Number attributes	Other Serial Number Attributes (text-to be defined). This field will be used and defined on a case by case basis to be decided by NCIA System Manager, NCIA and the Contractor for other attributes which might be required for a particular system.
Subject to Property Accounting	NDSS-MRCS (text-1 digit). NCIA will decide whether or not item is subject to property accounting and is to appear on the customer balance lists. This field will be completed Y or N by NCIA.
Currency	Currency (text-3 digits). International 3-digit code (ISO) representing the currency in which the item purchase price (or the estimated value) is expressed.
Price	Item Price (number-11 digits). Unit price with 2 decimals.
Warranty Expiration Date	Warranty Expiration Date (date: DD/MM/YY). Shows the date on which the warranty of this item expires, which is usually N days after delivery of the item. If delivery is scheduled for a certain date, warranty expiration date = delivery date + warranty period in days.
Receiving / Inspection Depot	Receiving / Inspection Depot (TXT-2 digits). Information will be provided to Contractor by the Purchaser's IPS Officer. This is the depot to where the vendor ships the material. Normally this depot will receive, inspect and put the material in stock against Dues-In to be created in accordance with Qty in column "Qty Ordered". In case of a deviation from this rule, the Purchaser will inform the Contractor of the correct final Depot and through which depot the items shall have to transit.
Issue to customer	Customer Code (text-4 digits - to be completed by NCIA). Code representing the customer to which the item(s) shall be shipped by the receiving/ inspecting depot.
Extended Line Item Description	Extended Line Item Description (text-no limit). Any additional information concerning this item shall be entered here, e.g. technical specifications, configuration, reference to technical drawings or manuals etc....
Part Number of next higher assembly	Part-Number of Next Higher Assembly (text-32 digits) If item is built-in another assembly, indicate part number of that assembly here.

Field	Description
Qty in next higher assembly	Quantity in Next Higher Assembly (number-3 digits max). This field shows the built-in quantity of the item in the next higher assembly. This information shall be provided for configuration control purposes.
Qty installed at Operating Unit (Customer Site)	Quantity installed. This field is only applicable when the delivery is direct to an operating unit (customer site). However in that case it is mandatory. For non-serialized items it shows total quantity installed. For serialized items quantity shall only be one per serial number. Use a new line for each serial number.

- 0042 The MDS shall be compiled under the following categories stating the delivery site when applicable:
 - a. Hardware
 - b. Software
 - c. Tools, Test equipment and accessories
 - d. Spare parts
 - e. Documents.

6.3.3. **NATO Codification**

0043 NATO codification is not required for items provisioned under this Contract. NATO Stock Numbers (NSN) for items that have previously been codified should be listed in the MDS.

6.3.4. **Storage**

0044 The Purchaser shall not be liable for any storage, damage or any other charges involved in such transporting of supplies prior to the actual acceptance of such supplies at destinations.

6.3.5. **Transportation**

0045 All supplies covered under this Contract shall be transported to all destinations at the expense of the Contractor. All packing, transportation and related costs for this shall be at the Contractor's expense.

0046 Items to be returned for repair/exchange from a site to the Contractor, after the start of the warranty of each corresponding site are the responsibility of the Purchaser.

0047 The Contractor shall be responsible for transportation of repaired/ replacement items under warranty to the original location.

6.3.6. **Customs Forms 302**

0048 It is envisaged that custom forms will not be required for this project required for duty free import/export of supplies between certain countries, if required, guidance can be requested from the Purchaser.

0049 The Contractor shall be responsible for the timely request of Customs Forms 302.

0050 If a country refuses to accept the Form 302 and requires the payment of customs duties, the Contractor shall pay these customs duties and the Purchaser shall reimburse the Contractor at actual cost against presentation of pertaining documents. Should such an event occur, the Contractor shall immediately inform the Purchaser by the fastest means available and before paying, obtain from the Customs officer a written statement establishing that his Country refuses to accept the Form 302.

0051 Forwarding agents shall be informed of the availability of Form 302 and how this form is utilised to avoid the payment of customs duties. This Form 302 shall be added to the shipping documents to be provided to the carrier.

6.3.7. Notice of Shipment

0052 Before each shipment of supplies, the Contractor shall provide the Purchaser with a notice of shipment comprising the following details:

- a. Shipment Date.
- b. Contract Line Item Number (CLIN).
- c. Consignor and Consignee.
- d. Number of Packages/Containers.
- e. Final/Partial Shipment.
- f. Mode of Shipment.
- g. Number of 302 Form used.

6.4. Warranty

0053 Warranty shall start at the written Purchaser final acceptance of each of the batches of equipment (if more than one) with a manufacturer warranty for a minimum period of one-year. During this warranty period, the Contractor shall also provide all ILS activities required within this SoW.

0054 This warranty support shall be applicable to all Product Baseline components delivered under this contract. The Contractor shall ensure that the warranty conditions remain valid even if the equipment is moved or relocated during the warranty period.

0055 During the warranty period, the Contractor shall be responsible for shipment and delivery of faulty items for repair or replacement, and of the repaired or replaced item from and to the affected site. This support shall include cost of parts, travel and per diem and shall be provided at no additional cost to the Purchaser.

Section 7. QUALITY ASSURANCE

7.1. Definitions

0056 Quality Assurance (QA) is a process and set of procedures intended to ensure that a product or service, during its definition, design, development, test and deployment phases will meet specified requirements.

0057 The term "NATO Quality Assurance Representative" (NQAR) shall apply to any of the Purchaser appointed Quality Assurance Representative.

0058 The term "Contractor Quality Assurance Representative" (CQAR) shall apply to any of the Contractor appointed Quality Assurance Representative.

7.2. General

0059 The Contractor's QA effort shall apply to all services and products (both management and specialist) to be provided under the Contract. This includes all hardware, software, firmware and documentation being developed, designed, acquired, integrated, maintained, or used under the Contract (including deliverable and non-deliverable items like test and support hardware and software), without limitation.

0060 The Contractor shall be responsible for assurance and control of quality for all deliverables and associated Contractual products, processes and services through the life-cycle of the Contract.

0061 If sub-contracted quality resources are used, the Contractor's Quality Management process shall describe the controls and processes in place for monitoring the Sub-Contractor's work against agreed timelines and levels of quality.

0062 The Contractor, through its CQAR(s), shall be responsible for product quality control and for submitting to Purchaser acceptance products, supplies and services which conform to contractual requirements only.

0063 The Contractor shall maintain and, when required, deliver objective evidence of this conformance.

7.3. Risks

0064 The Contractor and Sub-Contractor shall provide objective evidence, that risks are considered during planning, including but not limited to Risk Identification, Risk analysis, Risk Control and Risk Mitigation.

7.4. Certificates of Conformity

0065 A Certificate of Conformity (CoC) is a document, signed by the Supplier / Vendor of a product, stating that the product conforms to contractual requirements and regulations. A Certificate of Conformity template is available in AQAP-2070, underpinning the STANAG 4107 (Enclosure B).

0066 The Contractor shall deliver all the CoC's for Commercial-off-the-Shelf (COTS) products (software, including firmware and hardware) released by the COTS Vendors.

Section 8. Acceptance

8.1. Acceptance

0067 All equipment deliverables shall be delivered in the quantities and as per the requirements defined in this Contract to NATO CSSC (Brunssum, NLD) unless otherwise stated by the Purchaser, where they shall be subjected to the Acceptance steps as described below.

0068 Acceptance shall be limited to the positive visual inspection of the received equipment by the Purchaser at his premises. The result of this inspection will be sent by the Purchaser to the Contractor maximum 10 days after reception of the shipment.

0069 In case of damaged packeting or evident damage to the hardware deliverables, the respective deliverables will not be accepted. In that case, they shall be collected by the Contractor and shall be replaced by new ones. Acceptance shall only be considered completed upon successful completion of the entire delivery batch.

0070 The Acceptance of a batch of equipment shall also comprise the corresponding documentation as per the CDRL (OEM manuals, CoC and MDS).

8.2. Final Acceptance

0071 Final Acceptance shall be achieved only when all the different batches of equipment have been accepted and all the document deliverables have been accepted. All Acceptance steps shall be subject to written confirmation by the Purchaser.

Section 9. Technical Requirements

9.1. System Documentation

0072 The System Documentation shall be supplied in accordance with the approved CDRL.

9.2. Equipment to be delivered

0073 The Contractor shall delivery the following items contained in the Bill Of Materials (BOM), in accordance with the specifications herein (warranty duration shall be the standard manufacturer’s warranty duration with a minimum of one (1) year for hardware and one (1) year for software; all equipment to be procured shall include Poly Plus (Poly+) maintenance support):

Description	QTY
Poly G7500 codec, no radio, codec only (PN: G7200-87340-125)	191
Poly+, One Year, Poly G7500 4k Base Unit (PN: 487P-85860-112)	191
Poly Studio X50, NR, w/o TC8 (PN: G2200-86735-125)	5
Poly+, One Year, Poly Studio X50 (PN: 487P-85970-112)	5
Poly Studio X30, NR, w/o TC8 (PN: G2200-86615-125)	15
Poly+, One Year, Poly Studio X30 (PN: 487P-85980-112)	15

0074 For the activation of the one year Poly Plus maintenance support, the following VTC codec installation schedule will be used as a reference: 13 VTC codecs per month from September 2023 to December 2024. Poly Plus maintenance support instances shall be activated as per planned VTC codec installation schedule.

0075 The equipment to be delivered shall come with European power plugs.

Enclosure A. Abbreviations

Abbreviation	Meaning
ACMP	Allied Configuration Management Publication
ACO	Allied Command Operations
ACT	Allied Command Transformation
AFPL	Approved Fielded Products List
AQAP	Allied Quality Assurance Publications
AV	Audio Video
Bi-SC	Bilateral Strategic Commands
BGP	Border Gateway Protocol
BPS	Boundary Protection Services
CAB	Change Advisory Board
CAT	Computer Assisted Training
CAW	Contract Award
CDRL	Contract Document Requirements List
CDS	Cross Domain Solution
CFM	Connectivity Fault Management
CIS	Communication and Information Systems
CLIN	Contract Line Item Number
CLS	Contract Logistic Support
CM	Configuration Management
CoC	Certificate of Conformity
COO	Chief Operating Officer
COTS	Commercial Off-The-Shelf
CPR	CLS Performance Report
CQAR	Contractor Quality Assurance Representative
CRES	Contractor Related Effort and Services
CSA	Configuration Status Accounting
CSR	Configuration Status Reports
DIF	Difficulty, Importance and Frequency
DoS	Denial-of-Service
DSCP	Differentiated Services Code Point
ECP	Engineering Change Proposal
EDC	Effective Date of Contract
EPL	Ethernet Private Line
EVC	Ethernet Virtual Circuit

EXP	Experimental
FBL	Functional Baseline
FCA	Functional Configuration Audit
FD	Frame Delay
FDL	Frame Delay Variation
FL	Frame Loss
FOC	Final Operational Capability
FPS	Frames Per Second
FSA	Final System Acceptance
GRE	Generic Routing Encapsulation
GSI	Government Source Inspection
HD	High Definition
ICRC	International Committee of the Red Cross
IDF	Intermediate Distribution Frame
IOC	Interim Operational Capability
IP	Internet Protocol
IPv4	Internet Protocol version 4
IPv6	Internet Protocol version 6
IPSec	IP Security
IPS	Integrated Product Support
ISDN	Integrated Services Digital Network
ISO	International Organization for Standardization
ITU	International Telecom Union
ITM	Information technology Modernisation
LAN	Local Area Network
LRU	Lowest Replaceable Units
MCU	Multipoint Control Unit
MDF	Main Distribution Frame
MDS	Material Data Sheets
MEF	Metro Ethernet Forum
MLPP	Multi level precedence and priority
MLS	Multi-Level Secure
MPLS	Multi Protocol Label Switching
MS	Mission Secret
MSP	Microsoft Project
MTBF	Mean Time Between Failures
MTTR	Mean Time To Repair

MTU	Maximum Transmission Unit
NATO	North Atlantic Treaty Organisation
NCIRC	NATO Computer Incident Response Capability
NCRA	NATO Networking and Information Infrastructure Communications Reference Architecture
NED	NATO Edge Device
NGCS	NATO General-purpose Communication System
NGO	Non-Government Organisations
NGTS-56	NATO General Technical Standard-56
NIATC	NATO Information Assurance Technical Centre
NII	Networking and Information Infrastructure
NRF	NATO Response Force
NQAR	NATO Quality Assurance Representative
NSAB	NATO Security Accreditation Board
NSAC #	NATO Security Accreditation number
NS	NATO Secret
NSN	NATO Stock Number
NU	NATO Unclassified
O&M	Operation and maintenance
ODBC	Open Data Base Compliant
OEM	Original Equipment Manufacturer
OJT	On the Job Training
ORLA	Optimum Repair Level Analysis
OSPF	Open Shortest Path First
P2P	Point-to-point
PBL	Physical Baseline
PCA	Physical Configuration Audit
PERT	Project Evaluation and Review Technique
PFE	Purchaser Furnished Equipment
PfP	Partnership for Peace
PIP	Project Implementation Plan
POI	Programs Of Instruction
PoCT	Proof of Concept Test
PRI	Primary Rate
PRINCE 2	Projects in Controlled Environments
PRM	Project Review Meeting
PRR	Project Review Report

PSA	Provisional System Acceptance
PWBS	Project Work Breakdown Structure
QA	Quality Assurance
QC	Quality Control
QoS	Quality of Service
RES	Related Effort and Services
RFC	Requests for Comments
RMA	Reliability, Maintainability and Availability
RSPL	Recommend Spare Parts List
RTTL	Recommend Test, tools and equipment List
S/N	Serial Number
SAA	Security Accreditation Authority
SAT	System Acceptance Test
SECAN	Security and Evaluation Agency
SecOPs	Security Operating Procedures
SFP	Small Form-factor Pluggable
SiT	Site Acceptance
SLA	Service level agreement
SLP	Standardised Language Proficiency
SMC	System Management and Control
SNMP	Simple network management protocol
SoW	Statement of Work
SPA	Service Provision Authority
SPOC	Site Point of Contact
SRA	Security Risk Assessment
SSH	Secure shell
SSRS	System-Specific Security Requirements Statement
SSS	Scheduled Services and Supplies
ST&E	Security Test and Evaluation
STANAG	Standardization Agreements
STC	Sound Transmission Coefficient
STI	Small Time Interval
SWG	Security Working Group
SyncE	Synchronous Ethernet
TA	Target Architecture
TDM	Time Division Multiplexing
TNA	Training Need Analysis

VAN	VTC Access Node
VCC	VTC Control Centre
VLAN	Virtual Local Area Network
VNOC	VTC Network Operations Centre
VoIP	Voice over Internet Protocol
VPN	Virtual private network
VTC	Video Teleconference
WAN	Wide Area Network
XFP	Gigabit Small Form-factor Pluggable

Enclosure B. References

0076 This annex aims to list the documents used as reference to build this Statement of Work.

a. Standardisation Agreements (STANAGs)

0077 Unless otherwise specified, all documents listed in this chapter a can be downloaded from the NATO Standardisation Office web site. Applicable versions are the ones available at the time of the Contract Award.

Ref. 001. STANAG 2290 - NATO Unique Identification of Items;

Ref. 002. STANAG 4107 - Mutual Acceptance Of Government Quality Assurance And Usage Of The Allied Quality Assurance Publications (AQAP);

Ref. 003. STANAG 4427 - Configuration Management In System Life Cycle Management - ACMP-2000 Edition A & ACMP-2009 Edition A & ACMP-2100 Edition A;

Ref. 004. STANAG 4728 - System Life Cycle Management and underpinning Allied Administrative Publications;

Ref. 005. STANREC 4753 - Project Managers' Guide to Quality Assurance Insight, Oversight and Intervention in the Acquisition Process.

b. Allied Publications

0078 Unless otherwise specified, all documents listed in this chapter bcan be downloaded from the NATO Standardisation Office web site. Applicable versions are the ones available at the time of the Contract Award.

Ref. 006. AAP-15 ed:2020 - NATO Glossary of Abbreviations used in NATO Documents and Publications;

Ref. 007. AAP-20, NATO Programme Management Framework (NATO System Life Cycle Model);

Ref. 008. AAP-48, NATO System Life Cycle Processes;

Ref. 009. ALP-10, Allied Logistics Publications;

Ref. 010. ACMP-2000, Policy on Configuration Management;

Ref. 011. ACMP-2009, Guidance on Configuration Management;

Ref. 012. ACMP-2009-SRD-41, Examples of CM Plan Requirements ;

Ref. 013. ACMP-2100, Configuration Management Contractual Requirements;