

NATO UNCLASSIFIED

NCIA/ACQ/2022/07412  
14 December 2022

To : See Distribution List

Subject : **REQUEST FOR QUOTATION (RFQ) – RFQ-CO-115665-LSF  
Amendment 1**

Reference(s) : A. NCIA/ACQ/2022/07054 – NOI-RFQ-CO-115665-LSF dated 29 July 2022  
B. AC/4-D/2261 (1996 Edn)  
C. AC/4-D(2019)0004-(INV) dated 4 July 2019  
D. C-M(2002)49 – NATO Security Policy  
E. AC/4-DS(2022)0010 dated 1 June 2022  
F. AC/4(PP)D/27263-REV2-ADD21-REV1 + COR1  
G. NCIA/ACQ/2022/07334 RFQ-CO-115665-LSF dated 29 November 2022

Dear Madam/Sir,

- 1) The purpose of this Amendment 1 is to publish the responses to the Clarification Requests (CRs) received.
- 2) Please note the following important information :
  - Book I RFQ Instructions Annex B-10(2) is revised by adding columns which the Offerer must complete in respect of the Security status of all Key Personnel (Enclosure B).
  - Book II Prospective Contract – Contract Special Provisions – Insert Article 30 KEY PERSONNEL(Enclosure D).
- 3) As a direct result of Clarification Requests (CRs), the additional information at Enclosure C herein is provided and must be taken into account by the Offeror when submitting their Offer in response to this RFQ.(Enclosure C).
- 4) The closing date for submission of Offers in response to the RFQ has not changed and remains as follows :



- 12:00 HOURS (CENTRAL EUROPEAN TIME (CET)) ON TUESDAY 31 JANUARY 2023.
- 5) With the exception of the revisions mentioned above, all other RFQ documents remain unchanged from their original version as issued on 29 November 2022.
  - 6) The overall security classification of this RFQ is «NATO UNCLASSIFIED».
  - 7) This RFQ remains the property of the NCI Agency and shall be protected in accordance with the applicable national security regulations.
  - 8) This RFQ does not constitute either a financial or contractual commitment at this stage.
  - 9) Offerors are advised that the NCI Agency reserves the right to cancel, withdraw, or suspend this RFQ at any time in its entirety and bears no liability for quotation preparation costs incurred by firms or any other collateral costs if the RFQ cancellation, withdrawal, or suspension occurs.
  - 10) Please send your acknowledgement and receipt of this RFQ Amendment 1 (Enclosure A) and all questions concerning the RF to the undersigned at:

Lynne Hurley, Senior Contracting Officer  
E-mail: [RFQ-CO-115665-LSF@ncia.nato.int](mailto:RFQ-CO-115665-LSF@ncia.nato.int)

For the Chief of Acquisition

A handwritten signature in black ink, appearing to read 'Lynne S Hurley'.

Lynne S Hurley  
Senior Contracting Officer

Enclosures:

- A. Acknowledgement of Receipt of RFQ-CO-115665-LSF Amendment 1
- B. Book I RFQ Instructions Annex B-10(2) Amendment 1
- C. Clarification Requests - Questions and Answers, Amendment 1
- D. Book II Prospective Contract – Contract Special Provisions – Article 30 KEY PERSONNEL Amendment 1

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**Enclosure A**

**ACKNOWLEDGEMENT OF RECEIPT OF RFQ-CO-115665-LSF Amendment 1**

Date:

Please complete and return within 7 calendar days by e-mail to

[RFQ-CO-115665-LSF@ncia.nato.int](mailto:RFQ-CO-115665-LSF@ncia.nato.int)

We hereby advise that we have received the RFQ-CO-115665-LSF Amendment 1 on ....., together with all the enclosures.

Signature .....

Company .....

Address: .....

POC: .....

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Enclosure B

**ANNEX B-10 (2)**

**LIST OF KEY PERSONNEL (See Contract Special Provisions Article 23 SECURITY and Article 30 KEY PERSONNEL refers)**

**Personal Data Protection**

Although NATO, as an international organisation, is not subject to GPR and national data protection law, it is committed to protecting the personal data that it processes. All processing of personal data will be done in accordance with applicable NATO policies and regulations

Name of Key Personnel including Names of Key replacement / backup for Key Personnel	Nationality	Role	Manager and Details	Name Contact	Security Clearance Level	Security Clearance Validity dates

If no Key Personnel are involved, state this here:

.....  
 .....

.....

Date

.....

Signature of Authorised Representative

.....

Printed Name and Title

.....

Company

CLARIFICATION REQUESTS / RESPONSESEnclosure C

Serial Nr	RFQ Book	RFQ Section Ref.	OFFERORS QUESTION	NCIA AGENCY ANSWER	Status
A.1	4	Part II, Section 23	Does XXXXX own XXXXX security clearance transfer to NATO SECRET clearance status? What do we need to do for this process?	NCIA confirms Facility Security Clearance (FSC), for all cases a national clearance is not sufficient it has to be a NATO clearance in place, awarded by the National Security Authority (NSA). An FSC, if required by the contract, can be requested by the Contracting Authority (NCI Agency) direct to the respective NSA. As a reminder, FSCs are required for contracts involving classified information NC and above and it is basically an administrative determination by which an NSA/DSA formally recognizes the capacity or reliability of Contractor's facilities to manage, generate or have access to classified information up to a certain level. Depending on the contract requirements and, subject to national laws and regulations, there may be different types of FSCs, as determined by the National Security Authority who must be contacted for further advice.	Closed
A.2	4	Part II, Section 23	Does XXXXX sub-contractors need to hold NATO SECRET clearance for XXXXX to be awarded?	NCIA confirms Contract Special Provisions Article 23 Security apply to the Prime Contractor and all sub Contractors. This includes FSC and/or individual personal security clearances. All personnel on-site at any NATO facility who require unescorted access to a NATO Class 2 area and/or access to NATO Classified material (NC or above) will require at least a NS clearance. This will be a requirement for the successful Bidder (under any Contract award) as a pre-condition to placing of any Task Orders requiring this level of access.	Closed





CLARIFICATION REQUESTS / RESPONSES

Enclosure C

A.3	4	Part II, Section 23	If a subcontractor does not possess NATO SECRET clearance, what is the process for them to be able to handle?	NCIA confirms that in order to handle NS information any sub Contractor will require a FSC- Instructions to obtain this are mentioned in A1. Contract Special Provisions Article 23 Security apply to the Prime Contractor and all sub Contractors. Please contact your National Security Authority for advice and guidance. This will be a requirement for the successful Bidder (under any Contract award) as a pre-condition to placing of any Task Orders requiring this level of access.	Closed
A.4	4	Part II, Section 23	Per BIS in the XX, “My understanding is that after contract award, the Defense Counterintelligence and Security Agency (DCSA) will issue the NATO Facility Security Clearance Certificate and NATO Personnel Security Clearance Certificates that are required to perform the contract and submit the certificates to SHAPE.” Can you verify this statement in regards to NATO SECRET?	NCIA confirms that the FSC certificate (if required) will be sent directly to the NCIA once approved by the NSA. Where proof of an individual’s security clearance is required for site access etc, the Contractor will be required to submit a Request for Visit (RFV) through their own National Security Authority channels. Once approved by the NSA, the NSA will send direct to the visit location security department listed on the RFV. For routine/unclassified access to site(s) and/or routine delivery of unclassified materials etc, normal local site security visit application requirements and procedures will apply.	Closed





CLARIFICATION REQUESTS / RESPONSES

Enclosure C

A.5	4	Part II, Section 23	XXXXX has an active XXX clearance. We can show proof. Will that suffice for NATO SECRET clearance.	NCIA confirms for a Facility Security Clearance (FSC), in all cases, a national clearance is not sufficient it has to be a NATO Facility Security Clearance in place, awarded by the National Security Authority (NSA). In line with A1, the declaration that the company meets the NATO FSC requirements will be made by the respective NSA.	Closed
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**NATO Communications and Information Agency**



**RFQ-CO-115665-LSF**

- Provision of -

**LOGISTICS SERVICES  
AND  
ASSOCIATED SUPPORT**

**Contract Special Provisions**

Book II - Part II

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## **PART II - CONTRACT SPECIAL PROVISIONS**

### **1. Order of Precedence**

- 1.1. 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:
  - 1.1.1. The Contract Signature Page (Basic plus any Amendment)
  - 1.1.2. Issued Task Order(s);
  - 1.1.3. Part I – The Schedule of Supplies and Services;
  - 1.1.4. Part II – The Contract Special Provisions;
  - 1.1.5. Part III – The Contract General Provisions;
  - 1.1.6. Part IV – The Statement of Work and its Annexes;
  - 1.1.7. The Contractor(s)' proposal (Technical Proposal and Price Quotation) dated [*to be inserted at contract award*] and any clarifications thereto, incorporated herein by reference.

### **2. Scope of Work**

- 2.1. The purpose of this Contract is to create an Indefinite Delivery, Indefinite Quantity (IDIQ) Framework to enable frequent and swift transactions of specified logistics services and associated support from which the Purchaser may order quantities for delivery to different NATO sites and/or NATO Nations through respective Task Orders (TO).
- 2.2. In order to fulfil that purpose the Contractor shall deliver, in accordance with the Contract requirements, and against the prices specified in the Contract Schedule of Supplies and Services (SSS), the items or services identified in Task Orders (Task Orders (TOs), or Delivery Orders) issued from time to time by the Purchaser, in the manner and at the time and location specified in the Order.
- 2.3. The goods and services to be delivered under this Contract are laid out in Annex A to the Statement of Work (SOW).

### **3. Contract Type**

- 3.1. This Framework Contract is an Indefinite Delivery, Indefinite Quantity (IDIQ) type Contract for LOGISTICS SERVICES AND ASSOCIATED SUPPORT procurement with fixed firm prices duly named Logistics Services Framework (LSF). The Contract has no intrinsic monetary value. The Agency will place TOs against this Framework Contract when requirements are identified and funding is available. The Contract includes multiple CLINS and Sub CLINs with prices linked to different locations and quantities, as elaborated in the "Price" Clause of these Special Provisions.
- 3.2. Each Task Order will have a monetary obligation and a detailed CLIN list with corresponding Statement of Work specifications for the Contractor to perform that is within the general scope of this Contract. This Contract will come into effect with the placing of the first Task Order which will constitute the initial obligation.

- 3.3.** The Purchaser regards this Contract to be the 'vehicle' for obtaining the logistics services and associated support specified in the Statement of Work, where the Purchaser is charged by NATO to satisfy the requirement. The Purchaser reserves the right to solicit alternative sources when services cannot be achieved by the Contractor in accordance with the Key Performance Indicators (KPIs) obligations at Article 8 herein and/or the Delivery timesales specified in the SSS.
- 3.4.** The Purchaser assumes no liability for costs incurred by the Contractor in excess of the stated Firm Fixed Task Order Prices.

#### **4. Purchaser Obligations and Limitations**

- 4.1.** The Purchaser's sole obligation under this Contract is limited to the issuance of the initial Order activating the Contract, of which there is no minimum value threshold.
- 4.2.** This IDIQ Contract is subject to both time and value limitations. The Purchaser is not to issue any order beyond the period of performance of this IDIQ Contract as per 4.3 below, or the Maximum Total Value of 6,000,000 EUR, whichever comes first.
- 4.3.** The Contract is available for the placement of TOs against the SSS for three (3) years from Effective Date of Contract (EDC).
- 4.4.** The Period of Performance of the Contract may be extended by the exercise of options in accordance with the "Options" Article 17. of these Special Provisions.

#### **5. Price**

##### 5.1 Contract Type:

- 5.1.1 Firm-Fixed-Price (FFP) subject to Economic Price Adjustment (EPA).
- 5.1.2 From the Effective Date of Contract (EDC) to end of Year 3, the contract shall be FFP.
- 5.1.3 From Year 3 (May 2026) until the end of contract period of performance, subject to the exercise of Options, the contract type becomes Fixed-Price with Economic Price Adjustment (FP-EPA), where price indexation for Options shall be applied.

5.2 The unit prices in the SSS are valid for any specified quantity of logistics services and associated support ordered under the Contract and the relevant TOs.

5.3 The unit prices in the SSS are valid for the duration of the Contract;

5.4 The unit prices per CLIN are subject to multiple locations and quantities. The Task Order will specify every CLIN and/or Sub CLIN. The Fixed Firm associated prices are listed in the SSS.

5.5 For any new or replacement logistics services and associated support to be added to the SOW and/or Product Catalogue, the prices will be proposed by the Contractor via a Request

For Change (RFC) form, following the process defined in the “Changes” Clause of these Special Provisions. Should the Purchaser decide that the proposed logistics services and associated support are to be included in the Contract, an equitable price adjustment will be negotiated based on fair and reasonable pricing, and the proposed logistics services and associated support shall be added to the Contract by bilateral modification as per the “Changes” Clause of these Special Provisions.

5.6 Prices for logistics services and associated support quantity and scope replaced due to obsolescence are determined following the process described in the “Obsolescence Replacement” Clause of these Special Provisions.

#### 5.7 Economic Price Adjustment

a. The price of this contract is subject (upwards or downwards) to adjustment or revision within the limits defined herein:

i. Beginning in Year 4 of the contract until the end of the period of performance (for exercise of any options), if a variation occurs in the cost of labour and/or materials forming part of the contract, then the contract price shall be adjusted (upwards or downwards) on a case by case basis, in accordance with the formula in paragraph e below.

ii. The revision shall be based on the evolution of the Labour Cost Index and the Producer Price index, as published by OECD statistics.

b. Once the labour and material allocations and the portion of the contract price subject to price adjustment have been established, they remain fixed through the life of the contract and shall not be modified except in the event of significant changes to the scope or subject to exercise of further Options of the contract.

c. When a price adjustment for exercise of an Option is due (i.e. Year 2: due date is end of Year 2+1day;(May 2025)), the Contractor shall submit a proposal for price indexation in accordance with this Article to the Purchaser for evaluation and approval, containing the new prices for the respective CLIN(s) subject to labour and/or material price adjustment. The proposal shall be submitted to the Purchaser no later than 60 days after the due date.. The indexed prices will become the new contract price for the Option exercised, after mutual signature of a Contract Amendment. Invoicing and the payment thereafter, can take place following the Contract Amendment.

d. Economic Price Adjustment Formula

i. The Purchaser will apply the Price Variation (PV) formula per service for Contract Option Prices based on the following inputs:

- Portions for labour (X%) and material (Y%), provided by the Contractor per service ( $X\% + Y\% = 80\%$ );
- Service average annual price of years 2023 to 2025 for Option 1, and 2023 to 2026 for Option 2;

- Average quarterly labour and material indices of years 2023 to 2024 for Option 1 ( $L_{1-2}$ ,  $M_{1-2}$ ), and 2023 to 2025 for Option 2 ( $L_{1-3}$ ,  $M_{1-3}$ );
  - Quarterly labour and material indices of Q1 2025 for Option 1 ( $L_3$ ,  $M_3$ ), and Q1 2026 for Option 2 ( $L_4$ ,  $M_4$ ).
- e. The Price Variation (PV) formulas for Option 1 (year 4: 2026) and Option 2 (year 5: 2027) are, respectively:

$$P_4 = \frac{P_1 + P_2 + P_3}{3} * \left( 20\% + X\% * \frac{L_3}{L_{1-2}} + Y\% * \frac{M_3}{M_{1-2}} \right)$$

$$P_5 = \frac{P_1 + P_2 + P_3 + P_4}{4} * \left( 20\% + X\% * \frac{L_4}{L_{1-3}} + Y\% * \frac{M_4}{M_{1-3}} \right)$$

Definitions:

- $L_{1-2}$ ,  $M_{1-2}$ : Average of indices 2023 Q1 up to 2024 Q4 included;  
 $L_3$ ,  $M_3$ : Indices of 2025 Q1;  
 $L_{1-3}$ ,  $M_{1-3}$ : Average of indices 2023 Q1 up to 2025 Q4 included;  
 $L_4$ ,  $M_4$ : Indices of 2026 Q1;  
 $P_k$ : Service annual price ( $k=1,2, \dots, 5$  for years 2023, 2024, ..., 2027).

Sources:

**Labour index**

Subject: Unit Labour Costs

Measure: Index, seasonally adjusted

Frequency: Quarterly

[https://stats.oecd.org/viewhtml.aspx?datasetcode=ULC\\_EEQ&lang=en](https://stats.oecd.org/viewhtml.aspx?datasetcode=ULC_EEQ&lang=en)

**Material index**

Subject: Economic Activities - Total Producer Prices – Manufacturing

Measure: Index

Frequency: Quarterly

[https://stats.oecd.org/viewhtml.aspx?datasetcode=MEI\\_PRICES\\_PPI&lang=en](https://stats.oecd.org/viewhtml.aspx?datasetcode=MEI_PRICES_PPI&lang=en)

- f. Calculations of price increases shall be made as soon as possible after publication of the last index figure relating to the average quarterly labour and material indices of years 2023 to 2024 for Option 1, and 2023 to 2025 for Option 2;
- g. Quarterly labour and material indices of Q1 2025 for Option 1, and Q1 2026 for Option 2.



- h. No further adjustment is allowed, up or down, following revision of any index figure following the application of the detailed index herein.
- i. The index applicable to the formula and to be read from the OECD websites mentioned above, shall be the one from the NATO country where the “majority” of work has been performed and where actual costs have been incurred.. Work performed and where actual costs have been incurred will be determined through all evidenced Task Order execution during the period of performance expended.

Worked Example:

<b>Serial</b>	<b>Place of Performance</b>	<b>Value of actual work performed (in EURO equivalent) €</b>	<b>NATO Country index to be applied to Option 1</b>
<b>Covering Period expended (2023-2025)*</b>			
Task Order 1	Belgium	100,000.00	Italy
Task Order 2	Italy	250,000.00	Italy
Task Order 3	USA	50,000.00	Italy
Task Order 4	Poland	150,00.00	Italy
Task Order 5	Belgium	50,000.00	Italy
Task Order 6	Italy	50,000.00	Italy
<b>Covering Period expended (2026-2027)**</b>			<b>NATO Country index to be applied to Option 2</b>
Task Order 99	Belgium	50,000.00	Poland
Task Order 110	Poland	250,000.00	Poland

\* The index to be applied for the Option 1 to be exercised, based on actual work performed place of performance **and** actual highest value of costs incurred for work performed is Italy, determined as the “majority” where this is calculated at €300,000.00 being the most frequent place **and** highest proportion of value of work delivered during the period of performance expended, as above;

\*\* The index to be applied for the Option 2 to be exercised, based on actual work performed place of performance **and** actual highest value of costs incurred for work performed is Poland, determined as the “majority” where this is calculated at €400,000.00 being the most frequent place **and** highest proportion of value of work delivered during **all the contract period of performance expended (from contract award)**, as above;

j. Maximum Variation

- i. The increase of contract prices shall not exceed 10 % per CLIN irrespective of the actual +/- % variation as calculated by the application of the index provisions herein.
- ii. Calculation and payments shall be made in the same currencies attributable to each deliverable and all the prices may be varied in accordance with this provision unless specifically excluded in the schedule or elsewhere in this contract.

5.8 The Price Variation (PV) formulas for Reward Option(s) will be calculated based on the same methodology.

## 6. Task Orders and Ordering

- 6.1. Task Orders will be placed on the LSF IDIQ Contractor in accordance with the provisions herein;
  - 6.1.1. The Purchaser will issue a Task Order against this LSF IDIQ Contract (using the proforma at Annex A), detailing the Purchaser specific requirements in accordance with this Contract and the SOW.
  - 6.1.2. The requirements of the LSF IDIQ is to ensure order placement, order receipt, order mobilisation and order delivery, therefore time is of the essence when the Contractor executes and delivers against the Task Order. See also paragraphs 6.4 and 6.5 below.
  - 6.1.3. The Purchaser reserves the right to seek any clarification deemed necessary to reach a conclusive Task Order.
- 6.2. Task Orders (TO's, or Order) will be issued in writing by the Purchaser and signed by the Purchaser's Contracting Authority. TO's are instruments to initiate Contractor activities and obligate funding to the Contract.
- 6.3. The Purchaser will initiate the ordering process by issuing a TO detailing the following:
  - 6.3.1. Order Number;
  - 6.3.2. Effective Date of the Order;
  - 6.3.3. Total logistics services and associated support required by CLIN;
  - 6.3.4. Statement of Work reference;
  - 6.3.5. Schedule and place of delivery and performance;
  - 6.3.6. Shipping and transportation;
  - 6.3.7. Total Monetary Value of the Order;
- 6.4. For the purpose of this Contract, an obligation to deliver as per the TO is deemed to exist for the Contractor upon signature by the Purchaser. Counter-signature by the Contractor is not required for any TO under this Contract.

- 6.5. A TO is understood to have been received within 24 hours. See also Article 29 Contractor Participation in Task Order(s).
- 6.6. Orders may be issued from time to time and there are no limitations on the number of TO's that can be issued.

## **7. Comprehension of Contract and Specifications**

- 7.1. The Contractor warrants that it has read, understood and agreed to each and all terms, clauses, 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.
- 7.2. The specifications and requirements in the Statement of Work set forth the performance requirements for the Contractor's proposed work 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.
- 7.3. 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 that are:
  - 7.3.1. Based upon impossibility of performance, defective, inaccurate, impracticable, insufficient or invalid or superceded goods and/or services, implied warranties of suitability of such goods and/or services, or
  - 7.3.2. Otherwise derived from the aforesaid goods and/or services, and hereby waives any claims or demands so based or derived as might otherwise arise.
- 7.4. Notwithstanding the "Changes" Clause or any other Clause of the Contract, the Contractor hereby agrees that no changes to the aforesaid goods and/or services 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 SSS.

## **8. Key Performance Indicators (KPIs) and Targets**

- 8.1. Contract performance shall be measured through the use of the following KPIs.
  - 8.1.1. Delivery on Time (DOT). A log will be maintained by the Contractor and the Purchaser of how many times delivery is late, and to what degree. The maximum timeline for deliveries are listed in the SSS or Task Order, and captured in the applicable TO.

**8.1.2.** Delivery Complete. A log will be maintained by the Contractor of deliveries that are deemed to be complete. The Purchaser will compare this with its delivery inspection records against the amount of goods and/or services ordered per TO. The Purchaser's delivery inspection records will note how many goods and/or services were missing or defective upon inspection, and to what degree. The Purchaser Delivery inspection and acceptance requirements are described in Section 2.1 of the SOW.

**8.1.3.** Delivery Discrepancy Closure. A log will be maintained by the Contractor. The Purchaser will compare this with its Discrepancy reporting, tracking how many days it takes the Contractor between the Purchaser notification of the discrepancy and the closure of a Contractor delivery discrepancy. Delivery discrepancies are described in Section 2.1 of the SOW. The Contractor obligations and compliance criteria are described at Annex B herein.

**8.1.4.** Warranty Resolution. A log will be maintained by the Contractor and the Purchaser of how many days it takes between the notification and the closure of a warranty claim.

**8.1.5.** Up to date logistics services and associated support Product Catalogue. A log will be maintained by the Contractor and the Purchaser capturing whether the goods and/or services records in the Product Catalogue were up to date throughout the Quarter in question. The goods and/or services records in the Product Catalogue requirements are described in the SOW.

**8.2** The measurement methodology and targets of the different KPIs are detailed in Annex B herein.

**8.3** Failure to achieve two (2) "PASS" scores in the Total Quarterly Scores, as outlined in Annex B herein, will give rise to the Purchaser's right to invoke the "Termination for Default" Clause of these Contract Special Provisions.

## **9. Terms of Delivery**

**9.1.** Deliverables under this Contract, shall adhere to the requirements stipulated in the SOW and the resultant Task Order(s).

## **10. Invoices and Payment Terms**

**10.1.** Following Purchaser acceptance of Goods and Services required under the TO, the Contractor shall submit invoices at the completion and acceptance of the TO as per the Clause 11 "Acceptance Procedures".

**10.2.** No payment shall be made with respect to undelivered services and associated support, supplies, works not performed, documentation not delivered, goods and/or services not rendered and/or incorrectly submitted invoices.

**10.3.** No payment shall be made for additional items delivered that are not specified in the TO.

- 10.4.** Evidence of the acceptance by the Purchaser shall be attached to all invoices.
- 10.5.** The Contractor shall note that the Purchaser is exempt from customs duties and VAT. The invoice amount shall be exclusive of VAT and exclusive of all Taxes and Duties as per the "Taxes and Duties" Clause of the NCI Agency General Provisions.
- 10.6.** Invoices shall be properly supported with any necessary reports, certification, statements, receipts, written evidence of acceptance by the Purchaser and any other required documentation in accordance with the terms of the Contract.
- 10.7.** The invoice shall contain the following certification:

*"I certify that the above invoice is true and correct, representing a valid claim, and that the delivery of the above described goods and/or services has been duly effected and/or that the above mentioned services have been rendered and the payment therefore has not been received."*

The certification shall be signed by a duly authorised company official on the designated original.

- 10.8.** Invoices referencing "CO-XXX-LSF / Task Order No XXX or Purchase Order No XXX" shall be submitted to:  
[accountspayable@ncia.nato.int](mailto:accountspayable@ncia.nato.int)
- 10.9.** Paper invoices will not be accepted.
- 10.10.** The Purchaser will make payment within 45 days of receipt by NCI Agency of a valid claim and a properly prepared and documented invoice.

## **11. Acceptance Procedures**

11.1 Acceptance is the action by which the Purchaser formally acknowledges that the Contractor has fully demonstrated that TO deliverables are complete or have been performed according to the requirements as described in the SOW and the Schedule of Services and Supplies (SSS).

11.2 In the event the Contractor does not perform services in conformity with the requirements set out in the Contract, the Contractor shall perform all necessary work required to bring its services in conformity with the Contract, upon request of the Purchaser.

## **12. Obsolescence Replacement**

- 12.1.** If any goods and/or services specified in the Contract are discontinued by their original providers for commercial or technological reasons, the Contractor shall ensure the original goods and/or services are replaced with a 'like-for-like' alternative in the goods and/or services records in the Product Catalogue with the new versions within a month of any

Purchaser written agreement.

- 12.2.** If necessary for evaluation by the Purchaser, the Contractor shall provide a demonstration of the proposed alternative 'like-for-like' goods and/or services. Should the Purchaser decide that the proposed goods and/or services be included in the Contract, an equitable price adjustment will be negotiated based on fair and reasonable pricing and the proposed goods and/or services) shall be added to the Contract by bilateral modification under the authority of this Clause.
- 12.3.** All changes to the goods and/or services in the Product Catalogue and specification will be periodically formalised in a Contract Amendment, as described in the "Changes" Clause of these Special Provisions.

### **13. Warranty & Support**

- 13.1.** The Contractor shall provide warranty and support for all goods and services, including workmanship and all materials provided under this Contract.
- 13.2.** The warranty period for all goods and services, including workmanship and all materials, shall be a minimum of one (1) year from the date of acceptance by the Purchaser where no further period is specified.
- 13.3.** Should any period of warranty or conditions of the warranty provided by either the Original Equipment Manufacturer (OEM) or the (Sub-)Contractor exceed those required by the Contract, then these periods or conditions may be incorporated in the Contract at the sole discretion of the Purchaser.
- 13.4.** Should any warranty case not be closed within one (1) month, the Purchaser will reserve the right to purchase the replacement item from alternative suppliers. The cost of which shall be reimbursed by the Contractor.

### **14. Contract Administration**

- 14.1.** 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.
- 14.2.** Formal letters and communications shall subsequently be sent by e-mail to the official points of contact quoted in this Contract. Physical copies may be delivered through the following formal communication means; personal delivery, sent by mail/ registered mail/ courier/ or other delivery service.
- 14.3.** 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.
- 14.4.** All notices and communications shall be effective on receipt.

**14.5. Official Points of Contact:**

Purchaser	Contractor
<b>NCI Agency</b> NATO Headquarters Avenue Leopold III 1110 Brussels Belgium	<b>[Company name]</b> [Address] [Postcode and City] [Country]
For Contractual & Technical matters: The Contracting Officer responsible for this solicitation is Mr. Giacomo Piliago, all Correspondence regarding this Contract should solely be addressed to: Lynne Hurley, Senior Contracting Officer Tel: +31 703 741529 E-mail: <a href="mailto:Lynne.Hurley@ncia.nato.int">Lynne.Hurley@ncia.nato.int</a>	For Contractual matters: Attn: ... Tel: +... E-mail: ...
For technical/administrative matters: Attn: Ron.Spijkerman@ncia.nato.int Tel: N/A	For technical/delivery matters: Attn: ... Tel: +... E-mail: ...

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

**15. Sub Contracts**

- 15.1.** The Contractor shall place and be responsible for the administration and performance of all sub-contracts including terms and conditions which it deems necessary to meet the requirements of this Contract in full.
- 15.2.** The Contractor shall not place sub-contracts outside the NATO member Nations unless the prior authorisation of the Purchaser has been obtained. Such authorisation will not be granted when the sub-contract involves the carrying out of classified work.

**16. Changes**

- 16.1.** The Purchaser intends to manage changes to this Contract using the change management procedure described below.
- 16.2.** Request For Change (RFC) is a proposal for changes relevant to the logistics services and associated support of the goods and/or services, their market availability, their obsolescence, or any other technological changes.
- 16.3.** The Contractor shall submit the RFCs in written form only upon prior confirmation from the Purchaser that such changes are necessary in light of varied facts or circumstances which prevent the execution of the Contract in its then current form.

- 16.4.** Any RFC submitted by the Contractor to the Purchaser shall, in any case contain as a minimum the RFC identification number, the rationale for the changes, effected CLIN, new CLIN proposal for newly added items, and any effect to the Schedules, technical solutions, and pricing.
- 16.5.** The Contractor shall provide the RFC template prior to the Kick-off Meeting, and shall update the template based on Purchaser feedback.
- 16.6.** The Contractor shall release RFCs in following conditions and within noted timelines:
- 16.6.1.** Goods and/or services will no longer be available for future orders due to obsolescence (immediately);
  - 16.6.2.** new items are in the market that can replace the existing ones with the same form, fit, function specifications (bi-annually and at Technical Refresh Review Meetings as per the SOW);
  - 16.6.3.** new goods and/or services are required due to the new Purchaser requirements (as requested);
  - 16.6.4.** replacement goods and/or services are required due to the changing Purchaser requirements (as requested).
- 16.7.** The Purchaser will provide written confirmation if the RFC is authorized. In case of RFC rejection, the Contractor shall proceed with the performance in accordance with the Contract.
- 16.8.** The Contractor shall update and release the goods and/or services in the Product Catalogue within 5 business days after authorization of the RFC's in written form by the Purchaser contractual representative.
- 16.9.** The Purchaser may start ordering based on the new goods and/or services in the Product Catalogue prior to the formalization via a Contract Amendment. The Purchaser may decide to amend the Contract after one or multiple RFCs.
- 16.10.** Except as otherwise provided for in this Contract, prices quoted for the changes, modifications, etc. shall remain valid for the entire period of performance validity of this Contract.

## **17. Options**

- 17.1.** The Purchaser may:
- 17.1.1.** extend the period of performance of the Contract for up to two further Option increments of one year each (Option 1 and Option 2);
  - 17.1.2.** reward the Contractor for Met and/or Exceeded performance against the KPI's (Key Performance Indicators (KPIs) and Targets)) at Annex B herein throughout the



Contract duration, by extending the period of performance of the Contract for two further Reward Options of two one year increment periods (Reward Option 1 and 2) or such further period as may be agreed between the parties. The Reward Options shall be exercised independently, sequentially, or both consecutively, when the Option period(s) at paragraph 17.1.1 have been exercised in full. The Reward Options shall be exercised at the sole discretion of the Purchaser by giving six months written notice in the third quarter of the fifth and sixth year of the Contract period (i.e year five and/or year six, commencing from the date of Contract award, or the former (year five) when exercised consecutively);

Worked example(s) :

Year i.e	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 6 2027	Year 7 2028
Contract Start	3 Year Base Contract Period						
Option 1 (scenario 1)			Exercise Option Year 1 (Year 4)	Option1 active			
Option 2 (scenario 2)				Exercise Option Year 2 (Year 5)	Option 2 active		
Option 1 & 2 exercised consecutively (scenario 3)			Exercise Option Year 1 & 2 (Year 4 & 5)	Option 1 & 2 active			
Reward Option 1 (scenario 4)					Exercise Reward Option 1 Year 6)	Reward Option 1 active	
Reward Option 2 (scenario 5)						Exercise Reward Option 2 (Year 7)	Reward Option 2 active
Reward Options 1 & 2 exercised consecutively (scenario 6)					Exercise Reward Option 1 & 2 (Years 6 & 7)	Reward Option 1 & 2 active	

**17.2.** The existence of an option does not imply that it will be exercised.

**17.3.** The options may be exercised at the sole discretion of the Purchaser as follows:

**17.3.1.**The options may be exercised by written notification of the Purchaser;

**17.3.2.**The options may be exercised either together or separately; these will be exercised sequentially, if required by the Purchaser, i.e there is no intended break in the Contract period of performance - Options will be exercised on a rolling basis;

**17.4.** The options are open for exercise at any time from Expected Date of Contract (EDC) to 30 June 2027.

17.5 The Contractor shall measure and report performance against the Reward Option KPIs using the criteria at Annex B herein, reporting to the Purchaser at the same periods as the KPI Balance Scorecard reporting as detailed at paragraph 1.6 of Annex B.

## **18. Liquidated Damages**

**18.1.** If the Contractor fails to:

**18.1.1.** Successfully meet the required performance dates as defined in the Schedule of Supplies and Services, or any extension thereof, or;

**18.1.2.** Deliver and obtain acceptance of the deliverables or to acceptably perform the Services as specified in the Schedule of Supplies and Services, Statement of Work and applicable Task Orders.

**18.2.** 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, fixed and agreed Liquidated Damages of 0.1% (one tenth of one per cent) per day of the total payment amount for each Payment Event as scheduled in the "Invoices and Payment Terms" Clause of these Contract Special Provisions.

**18.3.** Liquidated Damages shall be payable to the Purchaser from the first day of delinquency in delivery and shall accrue at the rate specified in the paragraph above to an aggregate sum of all delinquent items not to exceed fifteen percent (15%) of the total value of the Task Order for the performance of which the Contractor is delinquent. These liquidated damages shall accrue automatically and without any further notice being required.

**18.4.** 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. In such event, subject to the provisions of the "Disputes" and "Arbitration" Clauses of the NCI Agency General Provisions, the Purchaser shall ascertain the facts and extent of the delay and shall extend the time for Performance of the Contract when in its judgment the findings of fact justify an extension.

**18.5.** In addition, the Purchaser may terminate this Contract in whole or in part as provided in the "Termination for Default" Clause of the NCI Agency 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.

**18.6.** The amount of Liquidated Damages due by the Contractor shall be recovered by the Purchaser in the following order of priority:

**18.6.1.** By deducting such Liquidated Damages from the amounts due to the Contractor against the Contractor's invoices;

**18.6.2.**By reclaiming such Liquidated Damages through appropriate legal remedies.

**18.7.** This clause shall be deemed to apply to each issued Task Order.

## **19. Termination for Default**

**19.1.** Clause 39 “Termination for Default” of the NCI Agency General Provisions is hereby supplemented as follows:

**19.2.** The Purchaser reserves the right to, by written notice of default to the Contractor, terminate the whole or any part of this Contract for continuous poor performance, if the Contractor fails to achieve sufficient “PASS” markings in its Total Quarterly Scores in relation to the KPIs established in the “Key Performance Indicators (KPI’s) and Targets” Clause of these Special Provisions, in the following case:

**19.2.1.two** (2) consecutive “FAIL” Total Quarterly Scores;

**19.3.** Upon the occasion of the first “FAIL” Total Quarterly Score, the Purchaser shall notify the Contractor to initiate a discussion and request a plan for corrective action for the Contractor to improve its performance.

**19.4.** In case a second consecutive “FAIL” Total Quarterly Score as illustrated above in 19.2.1 occurs, the Purchaser shall issue to the Contractor a written Notice of Termination, signed by the Contracting Authority, stating that continuous poor performance exists, specifying the extent to which performance of Work under the Contract is terminated, and the date upon which such termination becomes effective.

**19.5.** After receipt of a Notice of Termination, the Contractor shall:

**19.5.1.**stop the Work on the date and to the extent specified in the Notice of Termination;

**19.5.2.**place no further orders or Sub-contracts, except as may be necessary for completion of such portion of the work under the Contract as is not terminated;

**19.5.3.**terminate all orders and Sub-contracts to the extent that they relate to the performance of Work terminated by the Notice of Termination.

**19.6.** In the event of a situation as described in Sub-Clause 39.6 of the NCI Agency General Provisions, the Contractor shall provide proof in writing no later than 5 business days after receipt of the Notice of Termination described above.

**19.7.** Continuous poor performance as illustrated above is understood to be an objective reality, based on facts and mutual understanding, and is therefore not open for disputes under the “Disputes” or “Arbitration” Clauses of the NCI Agency General Provisions.

## 20. Force Majeure

- 20.1.** “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.
- 20.2.** Examples of Force Majeure, provided conditions (i)-(iv) of paragraph [20.1] are all fulfilled, include:
- 20.2.1 war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilisation;
  - 20.2.2 civil war, riot, rebellion and revolution, usurped power, insurrection, act of terrorism, sabotage or piracy;
  - 20.2.3 currency and trade restriction, embargo, sanction;
  - 20.2.4 act of authority whether lawful or unlawful, compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalisation;
  - 20.2.5 plague, epidemic, natural disaster or extreme natural event;
  - 20.2.6 explosion, fire, destruction of equipment, prolonged break-down of transport, telecommunication, information system or energy; and
  - 20.2.7 general labour disturbance such as boycott, strike and lock-out, go-slow, occupation of factories and premises.
- 20.3.** 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.
- 20.4.** 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:
- 20.4.1 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;
  - 20.4.2 the suspension of performance is of no greater scope than is necessitated by Force Majeure;
  - 20.4.3 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.

- 20.5.** 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.
- 20.6.** 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.

## **21. INSURANCES**

For the entire Contract duration, the Contractor shall provide all necessary insurance(s) for personnel and equipments, provided by the Contractor for the sole purposes of fulfilling the performance and deliverables required under the Contract.

## **22. INDEMNITY**

22.1 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.

22.2 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.

22.3 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.

22.4 In the event of an accident resulting in loss, damage, injury or death arising from negligence or wilful 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.

## **23. SECURITY**

- 23.1 Unless specified otherwise in any subsequent Task Order, the security classification of this Contract is NATO UNCLASSIFIED.

23.2 Contractor and Sub-Contractor personnel working on this Contract, visiting or working at NATO or National premises in connection with this Contract shall possess a NATO SECRET security clearance confirmed to the Purchaser by the relevant National Security Authority. This requirement applies to all sub-contracts issued by the Contractor for effort under this prospective Contract.

23.3 It is the responsibility of the Contractor to ensure that his personnel obtain the required security clearances and transmit this information to the sites to be visited in adequate time that the site may perform the appropriate administration. Contractors are advised that the personnel security process may be lengthy. The Purchaser bears no responsibility for the failure of the Contractor to secure the required clearances for its personnel within the necessary time. Failure to obtain or maintain the required level of security for Contractor personnel for the period of performance of this Contract shall not be grounds for any delay in the scheduled performance of this Contract and may be grounds for termination under Article 11 and Article 39 of the NCI Agency, Part III - General Provisions.

23.4 The Contractor's Team Members shall possess a valid passport or ID Card and is required to maintain its validity for duration of the Contract.

23.5 All NATO CLASSIFIED material entrusted to the Contractor shall be handled and safeguarded in accordance with the applicable security regulations.

23.6 At the end of the Contract, the Contractor shall deliver all the documentation and information collected and generated in support of this Contract to the Purchaser. This includes a certificate that no copies are retained at the Contractor's facilities.

23.7 In the performance of all works under this Contract, it shall be the Contractor's responsibility to ascertain and comply with all applicable NATO and National security regulations as implemented by NATO and by the local authorities.

23.8 The Contractor shall note that there are restrictions regarding the carriage and use of electronic device (e.g. laptops, cell/mobile telephones) in Purchaser secured locations. The Contractor shall be responsible for satisfying and obtaining from the appropriate site authorities the necessary clearance to bring any such equipment into the facility.

23.9 Unless specified otherwise in any subsequent Task Order, the IDIQ Statement of Work defines the level of security of information exchanged and used for performance of the Contract.

23.10 In particular, the Contractor undertakes to:

23.10.1. 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;

23.10.2. 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;

23.10.3. Abstain from copying by any means, without the authorization of the Purchaser, the national security authority or designated security agency, any classified documents, plans, photographs or other classified material entrusted to him;

23.10.4. 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;

- 23.10.5. 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;
- 23.10.6. Deny access to NATO classified information to any person other than those persons authorized to have such access by the national security authority or designated security agency;
- 23.10.7. 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;
- 23.10.8. Comply with any request from the national security authority or designated security agency that persons entrusted with NATO classified information sign a statement undertaking to safeguard that information and signifying their understanding both of their obligations under national legislation affecting the safeguarding of classified information, and of their comparable obligations under the laws of the other NATO nations in which they may have access to classified information;
- 23.10.9. 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;
- 23.10.10 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;
- 23.10.11. Undertake not to utilize, other than for the specific purpose of the Contract, without the prior written permission of the Purchaser or his authorized 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 authorized with the approval of the Purchaser. Such NATO classified information will be returned at such time as the Purchaser or his authorized representative may direct;
- 23.10.12. Classify any produced document with the highest classification of the NATO classified information disclosed in that document.

## **24. NCI AGENCY SUPPLIER CODE OF CONDUCT**

- 24. 1.** The NCI Agency has a Supplier Code of Conduct located at <https://www.ncia.nato.int/business/do-business-with-us/code-of-conduct.html> and it constitutes part of this Contract.
- 24. 2.** This Supplier Code of Conduct sets standards and practices for suppliers and their sub-contractors 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.
- 24.3.** In the event of any inconsistency in language, terms or conditions with the Contract General Provisions, the Contract General Provisions takes precedence.

## 25. Basic Safeguarding of Contractor Communications & Information Systems (CIS)

### 25.1. Basic Safeguarding of Contractor Communication and Information Systems (CIS)

#### 25.1.1. **Definitions.** As used in this clause—

*“Contractor Communication and Information System”* means an information system that is owned or operated by a contractor that processes, stores, or transmits NATO Information.

*“NATO Information”* means all information, classified and unclassified, circulated within NATO, whether such information originates in NATO Civil or Military bodies or is received from member nations or from non-NATO sources to include but not limited to:

*NATO Information that is provided by or generated for the Purchaser under a contract to develop or deliver a product or service to NATO, but not including information provided by the Purchaser to the public (such as on public websites) or simple transactional information, such as necessary to process payments. Examples of NATO Information are:*

*NATO technical information that is subject to controls on its access, use, reproduction, modification, performance, display, release, disclosure, or dissemination that is technical data or computer software in nature; such as, research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, technical orders, catalog-item identifications, data sets, studies and analyses and related information, executable code and source code, design details, or formulae and related material that would enable the software to be reproduced, recreated, or recompiled.*

*NATO infrastructure information such as Emergency Management, Infrastructure Security Information, Information Systems Vulnerability Information, Physical Security.*

*NATO security information such as Internal Data or Operations Security, Security Agreement Information, Security Enforcement Information, Transportation Arrangements, Personnel Security Information, Privacy Information, or Sensitive Personally Identifiable Information.*

*“Information”* means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

*“Information system”* means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

*“Safeguarding”* means measures or controls that are prescribed to protect information systems.

#### 25.1.2. **Safeguarding requirements and procedures.** The Contractor shall provide adequate security on all contractor CIS. To provide adequate security, the Contractor shall implement, at a minimum:

25.1.2.1. For contractor CIS that are part of a cloud computing service or an Information Technology (IT) service or system developed or operated on behalf of NATO shall be subject to the security requirements specified elsewhere in this contract.

25.1.2.2. For contractor CIS storing, processing, or transmitting NATO UNCLASSIFIED Information that are not part of a cloud computing service or IT service or system operated on behalf of NATO and therefore not subject to the security requirement specified at paragraph 25.1.2.1 of this clause, the ISO/IEC 27001 security standards shall apply.



25.1.2.2.1. The ISO/IEC 27001 certification must have a scope relevant to the services supplied to, or on behalf of, the Purchaser. The scope of certification and the statement of applicability must be acceptable, following review, to the Purchaser, including the application of controls from ISO/IEC 27002 (Code of Practice for Information Security Controls).

- 25.1.2.3. **Other requirements.** This clause does not relieve the Contractor of any other specific safeguarding requirements specified elsewhere in this contract or of other applicable NATO or national regulatory requirements. See also ANNEX C herein.
- 25.1.2.4. The Purchaser reserves the right to audit the Contractor or sub-contractors providing the service within a mutually agreed timeframe. The audit shall cover the overall scope of the service being supplied and the Contractor's, and any sub-contractors', compliance with this clause.
- 25.1.2.5. A breach of these obligations may subject the Contractor to contractual actions in law and equity for penalties, damages, and other appropriate remedies by the Purchaser.
- 25.1.2.6. Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (25.1.2.6), in subcontracts under this contract (including subcontracts for the acquisition of commercial products or services in which the subcontractor may have NATO Information residing in or transiting through its CIS).

## 26. INTERDEPENDENCY

26.1 The parties acknowledge:

- (a) That this Contract specifies Schedule of Supplies and Services (SSS) items that are Firm Fixed Price (FFP) and Price Variation (PV) provision types. These items provide inputs and outputs for requirements A1-A8 as described in the Contract Statement of Work.
- (b) The inputs and outputs will be performed by the Contractor, where the Purchaser will seek to align these with multiple contracts in support of IT Modernisation – Recovery Programme, which will be awarded separately by the Purchaser. The Contractor has no contractual relationship or control over the contractors performing the multiple contracts the Purchaser awards in support of IT Modernisation – Recovery Programme.
- (c) The contracts in support of the IT Modernisation – Recovery Programme include efforts and critical path activities necessary for the timely and successful performance, compliance and completion of this Contract.
- (d) The FFP, PV and SSS items in this Contract assume timely delivery schedule compliance by all IT Modernisation – Recovery Programme contractors. The Purchaser reserves the right to share the IT Modernisation – Recovery Programme Master Programme and Project Schedules, to facilitate collaboration across the Programme and multiple contract(s) inputs and outputs with the Contractor.

(e) Timely and compliant Contract performance and delivery under this Contract of FFP, PV and SSS items may be dependent upon the timely performance and delivery of contractors performing respective contracts and/or respective Task Orders across the IT Modernisation – Recovery Programme.

26.2 Based on the foregoing, and notwithstanding any other provision of this Contract, the parties specifically agree to the following:

(a) If the performance of any work under the FFP, PV and SSS items are impacted by the unreasonable delay, deferral, increase or reduction in scope, schedule change, performance, availability of funding or cancellation of the work to be performed under the IT Modernisation – Recovery Programme Master Programme and Project Schedules, the Contractor for this Contract and/or respective Task Orders is requested to notify the Purchaser of potential losses, schedule adjustment or other impacted provisions/requirements of the Contract for the FFP, PV and SSS items affected for which the Purchaser may consider modifying the Contract and/or respective Task Order to take into account.

(b) That changes to the FFP, PV and SSS items authorised as necessary under this provision be correspondingly incorporated into the Contract under the process given at the clause “Changes - Firm Fixed Price and/or Price Variation ” of the Contract General and Special Provisions.

(c) That “impacted” as mentioned in (a) above is defined as a direct causal relationship thus creating a practical or actual impossibility of performance/contract compliance, including but not limited to causality evidenced and demonstrated losses, schedule adjustment, or other provision/requirement of the Contract regarding the ability to timely perform to the pre-existing FFP, PV and SSS contractual and/or respective Task Order requirements.

(d) Nothing in this provision shall cause the Purchaser any additional financial obligation under this Contract, except as specifically authorised under a written Contract amendment and/or Task Order amendment issued and signed by the Purchaser’s Contracting Authority,

26.3 The following principles, agreed by the Purchaser and the Contractor set forth the process for reporting and mitigating Impacts under this Article:

(a) The Contractor shall give the Purchaser initial notice as soon as practical after the possible Impact has or may have occurred under this Clause. Within a reasonable time thereafter, the Contractor shall give written notice to the Purchaser to include dates, nature, and circumstances of the possible impact.

(b) As soon as possible after receipt of the above notice, the Contractor and the Purchaser shall meet to consult on a course of action and jointly use best efforts to mitigate such impacts.

## **27. THIRD PARTY CO-OPERATION**

27.1 Subject to its other obligations under this Contract, the Contractor shall be open, co-operative and provide reasonable (on a “need to know” basis) assistance to the Purchaser to support third party suppliers providing services to the Purchaser or third parties to whom the Purchaser sub-contracts or delegates (or tasks to act in pursuance of) any of its rights and obligations under this Contract (each such third party being a “Purchaser Third Party”. This assistance shall include:

- a. providing such information to the Purchaser about the manner in which the Contractor Deliverables are provided as is reasonably necessary for Purchaser Third Parties to provide their services and deliverables to the Purchaser or carry out such activities as have been delegated to them by the Purchaser;
- b. making information available for, or accepting information from, Purchaser Third Parties (including through Purchaser directed interfaces or information exchanges or interdependencies, involving the Contractor and Purchaser Third Parties);
- c. using its reasonable endeavours to prevent, resolve and limit the impact on the Purchaser of any disputes or disagreements between it and any Purchaser Third Parties; and
- d. meeting with the Purchaser and Purchaser Third Parties to discuss the Contractor Deliverables and the interdependencies of services and deliverables provided by third parties.

27.2 Without limiting the Contractor's obligations, the Contractor shall inform the Purchaser of any disputes or disagreements between it and any of Purchaser Third Parties that may affect the provision of the Contractor Deliverables.

## **28. NATO NATION MEMBER COLLABORATION**

28.1 This Contract is supporting multiple Purchaser projects and is integrating the work of multiple contractors to accomplish its objectives. Therefore the Purchaser will be utilising the deliverables under this Contract along with deliverables under other Contracts to achieve its overall objectives, and requires the intellectual property rights to do so. The Contractor therefore is providing a non-exclusive, transferrable license to the Purchaser to use all information provided to the Purchaser under this Contract as needed by the Purchase to accomplish its projects, to include the integration of the work of multiple Contractors.

28.2 Without the prior consent in writing of the Purchaser, the Contractor shall not wittingly make use in the performance of the Contract of inventions, designs or technical information which are the subject of any agreement made after the date of the Contract or make any grant of rights in the results of work under the Contract which they know would restrict their freedom to provide the information as required by this clause.

**29. CONTRACTOR PARTICIPATION IN TASK ORDERS**

29.1. Under this Indefinite Delivery Indefinite Quantity (IDIQ) Contract, the Contractor will be monitored by the Purchaser for its response to Task Order(s). Further, the Purchaser reserves the right to fulfil its requirements from sources other than Contractor.

29.2. In the event the Contractor fails to deliver goods and/or services within the agreed timescale for any Task Order for a consecutive period of three months or the issue of up to six Tasks Orders, whichever is soonest, the Purchaser reserves the unilateral right to declare the IDIQ contract in-active, where the Contract will be deemed 'frustrated'. The Purchaser will notify the Contractor in writing of its decision under these provisions and will cease issuing Task Orders to the Contractor. The existing Task Orders will not be effected.

29.3. In such an event, the Purchaser reserves its rights to select a replacement Contractor, for a place under this IDIQ Contract. The next lowest priced offer in relation to the original IDIQ competition will be used to determine, and within a reasonable time limit, the appointment of a replacement Contractor. Under these provisions the Purchasers decision will be final.

**30. KEY PERSONNEL**

30.1. The key personnel proposed by the Contractor in its Project Management Plan and that satisfy the personnel requirements laid down in the SOW are considered to be key to the performance of this Contract and may not be replaced by the Contractor with substitute personnel without the prior written approval of the Purchaser.

30.2. If any options are exercised, the Key Personnel provisions will apply to the option period from the effective date of the Contract.

30.3. The following personnel are considered to be Key Personnel for successful contract performance and are subject to the provisions of this Article as set forth in the following paragraphs:

Key Personnel	Name	Function within organisation

30.4. Under the terms of this Article, Key Personnel may not be voluntarily diverted by the Contractor to perform work outside the Contract. In cases where the Contractor has no control over the individual's non-availability (e.g., resignation, sickness,

incapacity, etc.), the Contractor shall notify the Purchaser of a change of key personnel within 10 days of the date of knowledge of the prospective vacancy and offer a substitute with equivalent qualifications with no additional costs for the Purchaser.

30.5. Contractor personnel proposed in substitution of previously employed Contractor Key Personnel shall be interviewed and approved by Purchaser Project Manager before substitution acceptance is granted in writing by the Purchaser contracting Authority.

30.6. In the event of a substitution of any key personnel listed in paragraph 30.3 above and prior to commencement of performance, the Contractor shall provide a CV for the personnel proposed. The CV shall clearly stipulate: • Full details of professional and educational background;

30.7. Evidence that the personnel is qualified in pertinent contract related areas per the SOW.

30.8. The Contractor shall take all reasonable steps to avoid changes to Key Personnel assigned to this project except where changes are unavoidable or are of a temporary nature. Any replacement personnel shall be of a similar grade, standard and experience as the individual to be substituted.

30.9. Furthermore, even after acceptance of a Contractor's staff member on the basis of his/her CV and/or interview, the Purchaser reserves the right to reject the Contractor's staff member, if the individual is not meeting the required level of competence. The Purchaser will inform the Contractor, in writing in cases where such a decision is taken and the Contractor shall propose and make another staff member available within ten working days after the written notification. The Purchaser shall have no obligation to justify the grounds of its decision and its acceptance of staff members shall in no way relieve the Contractor of its responsibility to achieve the contractual and technical requirements of this Contract nor imply any responsibility to the Purchaser.

30.10. After acceptance in writing by the Purchaser of a substitution of staff, based on a CV and/or interview, paragraph shall be applicable again, if necessary.

30.11. The Purchaser may at any time require the Contractor immediately to cease to employ the above named Key Personnel under the present Contract if, in the opinion of the Purchaser, his/her employment is undesirable. The Contractor shall replace any such employee in accordance with paragraph 30.5 and 30.6 above.

30.12. In those cases where, in the judgment of the Purchaser, the inability of the Contractor to provide a suitable replacement in accordance with the terms of this Article may potentially endanger the progress under the Contract, the Purchaser shall have the right to terminate the Contract in accordance with the terms of the General Provisions Clause entitled "Termination for Default".

30.13. Any change of status or reorganization of the Contractor's practice, or any change in the responsibility for the execution of the Contract shall be reported to the Purchaser immediately when the change or reorganization is promulgated.

30.14. The Contractor's Key Personnel required to interface directly with the Purchaser's counterparts, shall have the capability to readily communicate (oral and written fluency) in English and to provide, if requested official documents destined for distribution during the course of the Contract in English.

30.15. The Purchaser may, for just cause, require the Contractor to remove its employee. Notice for removal will be given to the Contractor by the Purchaser in writing and will state the cause justifying the removal. The notice will either demand substitution for the individual involved and/or contain a notice for default and the remedies to be sought by the Purchaser.

**ANNEX A: SAMPLE TASK ORDER<sup>1</sup>**

[RESERVED]

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<sup>1</sup> This is a sample Task Order, and could be in a different format when the Contract is awarded.

**ANNEX B: KEY PERFORMANCE INDICATORS (KPI)**

**KEY PERFORMANCE INDICATORS (KPIs) SCORECARD**

1. The Contract performance shall be measured on a quarterly basis through the use of the five (5) KPIs listed in the “Key Performance Indicators (KPIs) and Targets” Clause of the Contract Special Provisions.

1.1 Each KPI has a target, and the KPI shall be awarded a percentage score of compliance towards this target during the quarter in question.

1.2 Each KPI score is weighted in terms of its importance to the overall Contract performance via a pre-determined weight.

1.3 The weighted score, per quarter, of the KPIs provides the Total Quarterly Score in percentages. This Total Quarterly Score shall then be reflected in a Pass or Fail manner on the “Overall Scorecard” to allow for ease of visibility.

1.3.1 Pass = 90.1 – 100%

1.3.2 Fail = 0 – 90%

1.4 The Contractor will be responsible for generating the Scorecards, and the Purchaser will provide associated feedback with the Contractor, and discuss the encountered issues and improvements, as required. Based on the feedback provided, the Contractor shall propose an action plan within 10 business days to improve on any identified shortcomings.

1.5 The KPIs shall be measured based on the following criteria and instructions, provided in Table 1 below.

KPI	WEIGHT	MEASUREMENT CRITERIA	INSTRUCTIONS FOR SCORING
<b>Delivery on Time (DOT)</b>	20%	Delay in Business Days	<ul style="list-style-type: none"> <li>• TO Delivery Date means the specified lead time (SSS / TO) after the TO release date.                             <ul style="list-style-type: none"> <li>• Arrived by deadline = 100%</li> </ul> </li> <li>• Arrived maximum of 2 business days late = 95%</li> <li>• Arrived maximum of 5 business days late = 90%</li> <li>• Every additional business day delay = reduction of 5%</li> </ul>
<b>Delivery Complete</b>	20%	Delivery Completeness Percentage	<ul style="list-style-type: none"> <li>• Complete delivery means all items are correctly delivered in quantity, type, and undamaged based on the inspection as per SOW.                             <ul style="list-style-type: none"> <li>• Complete delivery, or above 99% = 100%</li> </ul> </li> <li>• All percentages are rounded up to the nearest %-point.</li> <li>• % is calculated by Items Correctly Delivered / Items Ordered</li> </ul>
<b>Delivery Discrepancy Resolution</b>	20%	Delay in Business Days	<ul style="list-style-type: none"> <li>• Discrepancies are listed and elaborated in SOW.</li> <li>• All discrepancies closed within 10 business days after Purchaser notification = 100%</li> <li>• Every additional business day delay = reduction of 5%.                             <ul style="list-style-type: none"> <li>• No Discrepancies with a TO = 100%.</li> </ul> </li> </ul>



<b>Warranty Resolution</b>	30%	Delay in Business Days	<ul style="list-style-type: none"> <li>• Warranty Claim Initiation Date means the notification by the Purchaser creating a warranty claim via email.</li> <li>• Warranty Claim Resolution Date means the Purchaser confirmation of satisfactory closure, as per SOW.</li> <li>• All Warranty Claims satisfactorily closed within 10 Business days for COTS, or 20 Business days for TEMPEST devices = 100%</li> <li>• Every additional business day delay = reduction of 5%.                         <ul style="list-style-type: none"> <li>• 1 Business day is counted as 24h from the notification.</li> </ul> </li> </ul>
<b>Up to Date Product Catalogue</b>	10%	Yes or No (following Purchaser request via TO)	<ul style="list-style-type: none"> <li>• The Product Catalogue is considered not 'up to date' if a Purchaser request was kept on hold or otherwise delayed due to items no longer being available, while remaining available for selection in the Product Catalogue; unless the alternative replacement was already proposed in writing to the Purchaser. This is further elaborated in SOW.                         <ul style="list-style-type: none"> <li>• Up to date Product Catalogue = 100%</li> </ul> </li> <li>• Notification after submission of a Task Order that the Product Catalogue is not up to date = 0%</li> </ul>

**Table 1 Scorecard Instructions**

1.6 All the above will be detailed by the Contractor in visual form in a Scorecard to be submitted by the Contractor Monthly, Quarterly and Annually.

**ANNEX B KEY PERFORMANCE INDICATORS (KPIs) REWARD OPTION(S)**

## Contract Evaluation Rating Definitions – Logistics Services Framework

## Reward Option KPI Criteria for Year 6 and 7 Options

In accordance with Article 17 Options paragraph 17.1.2, the following criteria will apply to measure the Contractor's performance to qualify for the exercise of the additional 'Reward Option' period(s) under the Contract:

**(a) Exceeded**

Performance meets contractual requirements and exceeds some to the Purchasers benefit. The contractual performance of the element or sub-element being evaluated was accomplished with few minor problems for which corrective actions taken by the Contractor led to requirements being exceeded.

Note: To justify an Exceeded rating, identify multiple events and state how they were of benefit to the Purchaser. A singular benefit, however, could be of such magnitude that it alone constitutes an Exceeded rating. Also, there should have been NO significant weaknesses identified.

**(b) Met**

Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the Contractor and led to requirements being met.

Note: To justify a Met rating, there should have been only minor problems, or major problems the Contractor recovered from without impact to the Contract/order. There should have been NO significant 'Not Met' requirements identified. A fundamental principle of assigning ratings is that Contractor will not be evaluated with a rating lower than Met solely for not performing beyond the requirements of the Contract/order.

**(c) Not Met**

Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the Contractor's corrective actions appear or were not met.

Note: To justify a Not Met rating, identify multiple significant events in each category that the Contractor had trouble overcoming and state how it impacted the Purchaser. A singular problem, however, could be of such serious magnitude that it alone constitutes a Not Met rating. A Not Met rating should be supported by referencing the management tools used to notify the Contractor of the contractual deficiencies (e.g., management, quality, safety, or environmental deficiency reports, or letters).

**ANNEX C: Security Management / Information Protection**

- 1.1 The Contractor shall, upon request, provide to the Purchaser, a system security plan (or extract thereof) and any associated plans of action developed to satisfy the security requirements of Special Provisions clause, “ Basic Safeguarding of Contractor Communication Information Systems (CIS)”, in effect at the time the solicitation is issued or as authorized by the Contracting Officer, to describe the contractor’s CIS/network(s) where NATO Information associated with the execution and performance of this contract is processed, stored, or transmitted.
- 1.1.1 The Contractor shall, upon request, provide the Purchaser with access to the system security plan(s) (or extracts thereof) and any associated plans of action for each of the Contractor’s tier one level subcontractor(s), vendor(s), and/or supplier(s), who process, store, or transmit NATO Information associated with the execution and performance of this contract.
- 1.2 The Contractor shall identify all NATO Information associated with the execution and performance of this contract. At the post-award conference, the Contractor and Purchaser Project Manager and Contracting Officer shall identify and affirm marking requirements for all NATO Information to be provided to the Contractor, and/or to be developed by the Contractor, associated with the execution and performance of this contract.
- 1.3 The Contractor shall track all NATO Information associated with the execution and performance of this contract. The Contractor shall document, maintain, and upon request, provide to the Purchaser, a record of tier 1 level subcontractors, vendors, and/or suppliers who will receive or develop NATO Information and associated with the execution and performance of this contract.
- 1.4 The contractor shall restrict unnecessary sharing and/or flow down of NATO Information associated with the execution and performance of this contract. The Contractor shall restrict unnecessary sharing and/or flow down of NATO Information and associated with the execution and performance of this contract – in accordance with NATO marking and dissemination requirements and based on a ‘need-to-know’ to execute and perform the requirements of this contract. This shall be addressed and documented at the post-award conference.
- 1.5 The contractor shall develop and store all NATO technical data (e.g., source code) in a secure facility. The contractor shall prevent computer software, in the possession or control of non-NATO entities on non-NATO information systems, from having connections to the network through segregation control (e.g., firewall, isolated network, etc.) and document meeting this requirement in the contractor security plan.
- 1.6 The Contractor shall flow down the requirements of this clause to their tier 1 level subcontractors, vendors, and/or suppliers.
- 1.7 All deliveries should be annotated in the Integrated Master Plan (IMP) for the System Engineering Technical Reviews or as agreed during the post-award conference.