



NATO UNCLASSIFIED

24 June 2002

DOCUMENT
AC/4-D(2002)002 (FINAL)

INFRASTRUCTURE COMMITTEE

**PROCEDURES GOVERNING THE USE OF BASIC ORDERING AGREEMENTS (BOAs)
BY THE NC3 AGENCY**

Note by the Secretary

References: (a) AC/4-D(99)003, Final
(b) AC/4-DS(99)32
(c) AC/4-DS(2001)25
(d) AC/4-D(2002)002-REV1; -DS(2002)15 of 21 May 2002

1. The Procedures Governing the Use of Basic Ordering Agreements (BOAs) by the NC3 Agency (reference (a)) were approved by the Infrastructure Committee at reference (b) for a one-year period only. At reference (c) the Infrastructure Committee agreed that the procedures would remain in effect for a further two-year period, until October 2003.
2. With reference (d) the Infrastructure Committee "at 19" approved the updated "Procedures Governing the Use of the Basic Ordering Agreements (BOAs)" as described in the attached annex and appendices.
3. These Procedures become effective as from the date of the decision of the Infrastructure Committee and supersede all other versions.

(Signed) R. DOBSON

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NATO SECURITY INVESTMENT PROGRAMME

**PROCEDURES GOVERNING THE USE OF
BASIC ORDERING AGREEMENTS (BOAs) BY THE NC3 AGENCY**

18 March 2002

- References:
- (a) AC/4-D/2261(1996 Edition)
 - (b) AC/4-N(96)3(3rd revise);
 - (c) AC/4-DS(97)5, Item IV.2(c); -DS(97)6, Item IV.2(e)
 - (d) NATO Financial Regulations BUD/REF/1
 - (e) AC/4-D(95)002

INTRODUCTION

1. The procedures governing the use of Basic Ordering Agreements (BOAs) contained in this document are an addition to the procedures for International Competitive Bidding contained in reference (a). Unless otherwise specified hereafter, the provisions of document AC/4 -D/2261(1996 Edition) continue to apply to competitive bidding using BOAs. The most relevant extracts of D/2261 are attached as Appendix 2 to this document.
2. The procedures outlined in this document were originally designed for use by the NATO C3 Agency (referred to as "the Agency" hereafter), acting either as Host Nation or Procurement Agency for NATO Security Investment Programme (NSIP) work. Extension of the procedure to NATO Nations will be handled either by general formal agreement or imposed by the Infrastructure Committee on a case by case basis at the authorization stage. In order to cover these possibilities the general term "Host Nation (HN)" is being used where appropriate in the following paragraphs.
3. The procedures outlined in this document are based on the Guidelines on the Use of BOAs (reference (b)) agreed by the Infrastructure Committee as detailed in reference (c).

DEFINITION AND AIMS

4. For the purposes of this document, a BOA is defined as a two -stage contracting procedure whereby a framework contract, specifying all basic contract provisions, including the pricing methodology, is negotiated and placed with a potential supplier for a specified range of goods and services against which retail quantities can be ordered, on a competitive basis, at a later stage.
5. The aim of the procedure is to provide the Host Nations with an accelerated and cost-effective acquisition method for Commercial-Off-The-Shelf (COTS) products and services, respecting at the same time the principle of non-discrimination laid down in reference (a) and fostering an environment conducive to maximising the participation of qualified firms in the NSIP.
6. A list of product and service categories considered for BOA application, based upon the United Nations Standard Listing of products and service categories, is attached as Appendix 1. The list will be updated by the Agency (at least) once a year and will be reported to the Infrastructure Committee. It will be maintained on the NC3A BOA Web Site.) (<http://www1.nc3a.nato.int>). Wherever possible, the Agency will have more than one BOA in place for each product.

INVITING APPLICATIONS FOR BOA

7. The Agency will invite delegations annually, starting in October 1997, to solicit participation of their national industry in the Agency's BOA programme. This invitation will be accompanied by an information package containing:

- 7.1 A description of the Agency's BOA programme.
- 7.2 A copy of the procedures governing the use of BOAs.
- 7.3 The application method and information to be provided by firms applying.
- 7.4 A sample set of general BOA terms and conditions on the understanding that these are subject to negotiation and change depending on the types of products and services to be provided, the structure of the firm's organisation and any other factors special to the particular BOA agreement.

8. The Agency will also make the information package available to any firm from NATO nations indicating an interest in participating in the Agency's BOA programme. Such requests for information will be dealt with as expeditiously as possible, ideally within 5 working days.

9. Applications by firms will be sent to the Agency directly.

10. In their applications, firms must demonstrate their ability to provide Commercial-Off-The-Shelf (COTS) products for military application, including the ability for the equipment to be supported and maintained post-delivery within specified warranty period, within the agreed categories outlined at Appendix 1. Firms will need to provide their **pricing structure**¹ and to demonstrate that NATO is being offered "**most preferred customer**"² terms and that NATO will always be offered and supplied with the most up-to-date products.

11. Applications by firms will be addressed by the Agency on first come first served basis but with the aim of responding within 20 working days. Should serious problems arise which might preclude finalising the negotiations, the Agency will inform the firm in writing with copy to the NATO delegation of the firm's country of origin.

¹ "Pricing Structure" means the provision of sufficient information to enable the Purchaser to establish exactly what is included in the price in terms of parts, assemblies, software, etc. and on what terms and conditions such items are being offered such as warranty, delivery, etc."

² "Preferred Customer"

(a) The Contractor warrants that the prices proposed are as favourable as those extended to any Government, Agency, Company, Organisation or individual purchasing or handling like quantities of equipment and/or parts covered by the Contract under similar conditions.

(b) Price in this sense means "Base Price" prior to applying any bonus, export tax reduction, turnover tax exemptions and other reductions based on National Policies.

12. Should the Agency decide, after negotiations, not to offer a BOA to a firm, it will notify the firm in writing, with copy to the NATO delegation of the firm's country of origin, clearly stating the reasons for rejection. Firms may reapply after three months from rejection at which time their application will be considered as new.

13. The procedures outlined in paragraphs 7 to 12 above replace paragraphs 6 and 7 of reference (a) as far as BOAs are concerned. The rules on eligibility outlined in paragraph 5 of reference (a) continue to apply (see extract at Appendix 2). This means: The firm applying for a BOA must obtain the "Declaration of Eligibility" through their national delegations. The Agency will inform in writing the NATO delegation of the firm's country of origin which categories of COTS equipment are covered by the BOA under negotiation. This is a prerequisite for BOA conclusion. It is however not necessary that the applying firm is security cleared in order to obtain a BOA. To the contrary, the procurement of Commercial-Off-the-Shelf commodities will normally not require security clearances. If, as an exception, a particular order under BOA will require security clearances (because, for example, access to restricted areas might be required) this will be mentioned in the special terms and conditions for this order (see paragraph 16).

14. A Flowchart depicting the process how to obtain a BOA is attached as Appendix 3 to this document.

APPLYING BOAs

15. Based on the proposal of the Host Nation in its fund request, the staff report to the Infrastructure Committee will address the procurement method and recommend the use of BOAs from the NC3A where applicable. The Infrastructure Committee must unanimously agree to deviate from D/2261 in order to utilise BOAs.

15.1 The Host Nation will order products and services within the framework of the BOA procedure on a competitive basis. This will be done by issuing Invitations for Bid (IFB) to those firms having concluded a BOA including one or more of the products or services to be ordered. Notification to diplomatic representatives and to NATO delegations is required. The right of each nation to add additional eligible firms to the bidders list must be accommodated by the Host Nation to the extent possible. Firms without a BOA can be added only with agreement of the Infrastructure Committee at the authorisation stage.

15.2 In order to foster competition IFBs will, as a rule, be submitted for each line item of a fund request, rather than by a group of items. Care has to be taken that this does not lead to a single tender situation when competition would be possible.

15.3 For limited value items, the procurement rules laid down in the NATO Financial Regulations (NFR) (reference (d)) will apply as follows³:

- Single tender : Items of Level 'B' i.e. less than approx. 4, 600 NAU;

³ The corresponding amounts to the financial levels are updated annually in accordance with the NFR and will be reported to the Infrastructure Committee for annotation. The amounts listed in this document are the values of 2002.

- Restricted bidding : three tenders for 2 x Level 'B' i.e. less than approx. 9,200 NAU;
- Competitive bidding: five tenders for Level 'D' i.e. less than approx. 36,800 NAU;
- Full competitive bidding for items exceeding the value of Level 'D' .

It is the responsibility of the Host Nation to select the bidders from the bidders list

15.4 If the Host Nation intends to limit competition outside the limits of paragraph 15.3 above, prior agreement of the Infrastructure Committee will be sought.

16. The Host Nation's Invitation for Bid will include special terms and conditions not covered by the BOA - such as life cycle aspects, security requirements or performance requirements - and will specify the required delivery time of the products. If, for reasons of urgency, the required delivery time is not in line with normal commercial practices, the situation will be pointed out in the staff report and the Infrastructure Committee's prior agreement for accelerated delivery will have been obtained.

17. The normal response time for firms to submit their bid will be two weeks from receipt of the Invitation for Bid. For more complex Invitations for Bid, involving multiple products or including integration, training and/or security considerations, a minimum of four weeks will be allowed. If, for reasons of urgency, normal response times cannot be applied, the Infrastructure Committee's prior agreement for accelerated response times will have been obtained.

18. Extensions to the bidding date may be granted at the discretion of the Host Nation. Such extensions should be granted no later than 7 days before the closing date of the bid and should be notified to all firms having received the Invitation for Bid.

19. The Host Nation will award the contract to the lowest compliant bidder and notify unsuccessful bidders after contract award. Should the Host Nation intend to award the contract to another compliant bidder, it must seek the approval of the Committee before making the award.

20. Compliancy is assessed by the Host Nation⁴. If in doubt clarification will be sought from the bidder. **If unanimously declared** non-compliant, the bidder will be informed in writing, clearly stating the reasons for rejection.

20.1 In case of application of BOAs under the Urgent requirements Procedure (reference (e)) protests against the non-compliancy assessment will be handled in accordance with paragraph 25 but will not prevent the contract being awarded. The application of this clause will be decided at the authorisation stage by the Infrastructure Committee. In case the Committee decides against it, paragraph 20.2 applies.

⁴ In the case of the Agency compliancy will be determined by the Contract Award Board (or Committee, depending on the value of the contract). These fora are formed from the international personnel of the NC3A, taking into account the essential organization elements of the Agency.

20.2 In all other cases protests against the non-compliance assessment are only possible for contracts exceeding 30,000 NAU and within seven days. After this time the contract will be awarded. Should protest be received within this period it will be handled in accordance with paragraph 25.

21. The procedures outlined in paragraphs 14 to 20 above replace paragraphs 10, 11 and 13 of reference (a) as far as BOAs are concerned. The rules on evaluation of bids outlined in paragraph 12 of reference (a) continue to apply (see extract at Appendix 2).

22. A flowchart depicting the use of BOAs is attached as Appendix 4 to this document.

PROCEDURE IN CASE OF RENEWED INVITATION FOR BIDS

23. In case the Host Nation decides not to award a contract on the basis of the bids received, or in case no bids are received or no firm can meet the required delivery dates, the Host Nation will inform the Infrastructure Committee without delay with proposals on how to proceed. This procedure replaces paragraph 15 of reference (a) as far as BOAs are concerned.

SETTLEMENT OF DISPUTES

24. If a firm protests after notification that it has been rejected, it has to submit the protest through the NATO delegation of the firm's country of origin.

25. Complaints should be lodged within 21 days from the date of receipt of the notification of the rejection by the diplomatic representative of the country of the companies' origin. The procedures for the settlement of disputes arising from international competitive bidding laid down in Annex I of reference (a) apply with the modification specified in para. 20. They are limited, however, to the cases covered by paragraphs 12 and 20 above.

THIRD PARTY USE OF AGENCY BOAs

26. Other NATO Agencies, NATO Nations, invited Nations and those covered under the Partnership for Peace (PfP) may use the BOAs either directly or ask the Agency to act as their procurement agent.

27. To promote the usage of Agency BOAs, the Agency will inform NATO Committees and Agencies which might benefit from such BOAs on a regular basis of the existence and benefits of its BOA programme. NATO nations are similarly invited to promote the Agency BOAs within their national systems.

28. The Agency shall charge fees for the use of its BOA programme. Such fees shall be calculated by the Agency in a manner consistent with the introduction of customer funding procedures.

TRANSMISSION OF INFORMATION

29. Notifications by the Host Nations to be made under these procedures, including the issuance of Invitations for Bids, may be sent by facsimile (fax) or equivalent electronic means. The Agency will also provide an Electronic Bulletin Board to notify all potential BOA Bidders of forthcoming NC3A, and as may be agreed other Host Nation, bid invitations and to allow Bidders to download the relevant documentation. The possibility of downloading forthcoming bid invitations and other relevant items of information does not substitute the individual mailing of current invitations for bids as well as bidding documents to all potential bidders.

REPORTING

30. The Agency will report to the Infrastructure Committee regularly on its use of BOAs. This report will provide:

30.1 Information on the conclusion of BOAs by Nation will be provided annually :

- a list of BOA applications received;
- a list of BOA applications processed;
- a list of BOAs concluded.

30.2 Information on the use of BOAs:

Reporting will be in accordance with para 14 of AC/4-D/2261 i.e.: The Agency should report as soon as possible after contract award under BOA, but in no case later than one month after contract award. The results shall be forwarded to the International Staff for immediate communication to the delegations.

30.3 Such reporting and information can also be provided in electronic form and/or made available to the Infrastructure Committee via access to the NATO BUYLINE system. In addition, the NC3A will provide Delegations with a link for electronic access to all NC3A data on the current implementation of individual projects under BOA such as RFQ, Invitation for Bid, Bidders List, Statement of Work, Bid Result.

31. The Agency will furthermore develop a 'Customer feedback database' in which information of previous procurement actions are kept.

31.1 This will provide a quality check on the performance of BOA firms and may assist in the selection of one, three or five tenders as required for implementation of paragraph 15.3. This information will include (but not be limited to) answers to the following questions:

- Has the firm responded within the time set ?
- Has the delivery date been kept?
- Was the equipment acceptable in accordance with the order, complete and operational?
- Was the bill prompt and in line with the offer?

31.2 Continuous negative performance will be discussed directly with the company, in the first instance, in conjunction with the respective nation.

32. In the event that there is no improvement or remedy and should the agency, therefore, intend to draw restrictive consequences from this database she will seek the approval from the Infrastructure Committee.

EFFECTIVE DATE, DURATION, AND AMENDMENTS

33. This procedure becomes effective as from the decision of the Infrastructure Committee. Amendments are to be agreed unanimously by the Infrastructure Committee.

LIST OF PRODUCT AND SERVICE CATEGORIES CONSIDERED FOR BOA APPLICATION

Communications, Computer Equipment, Peripherals, Components and Supplies

Communications and computer supplies

Audio recording media

Blank audiotapes

Data storage media

Blank data tapes

Floppy diskettes

High-density removable media blank disks

Recordable compact discs (CD's)

Multimedia storage

Compact disc (CD) cases

Diskette holders

Multimedia drawers

Multimedia towers

Hardware and accessories

Antennas

Aircraft antennas

Automotive antennas

Broadcast antennas

Communications antennas

Microwave antennas

Radar antennas

Radio antennas

Satellite antennas

Television antennas

Audio and visual accessories

Computer speakers

Multimedia kits

Musical instrument digital interface (MIDI) interfaces or adapters

Radio cards

Signal processor upgrades

Television cards

Video capture boards

Automated data collection Equipment

Bar code equipment

Camera-based vision systems for automated data collection

Radio frequency data communication equipment

Radio frequency identification (ID) equipment

Computer control and interface boards and cards

Audio cards

Emulation adapters

Graphic accelerator cards

Network interface cards

Parallel port cards

Parallel to serial converters

Parallel to small computer system interface converters

Serial infrared ports

Serial port cards

Small computer system interface (SCSI) controller cards

Video accelerator cards

Computer switch boxes

Automatic printer switches

Keyboard video mouse (KVM) switch boxes

Manual printer switches

Serial switch boxes

Computers

Docking stations

Mainframe computers
Notebook computers
Personal digital assistants (PDA's); or pen-based computers
Port replicators
Servers
Workstations, desktop computers

Electronic data storage equipment

Combination floppy drives
Compact disc (CD) jukeboxes or changers
Disk arrays
Floppy drives
Hard drives
High capacity removable media drives
Multi-drive hard drive towers
Read-only compact disc (CD) drives
Recordable compact disc (CD) drives
Reel to reel tape drives
Single optical drives
Tape arrays
Tape drive auto loaders or libraries

Enclosures, frames and backplanes

Chassis
Expansion slot expander
Network chassis
Racks

Input devices

Computer mice
Graphics tablets or digitizers
Joysticks or game pads
Keyboards or keypads

Remote user interfaces

Scanners

Touch pads

Trackballs

Voice microphones for computers

Memory and central processing units (CPU's)

Cache memory

Central processing unit (CPU) motherboards or daughterboards

Central processing unit (CPU) processors

Modems and related hardware

Integrated services digital network (ISDN) adapters

Modem banks

Modems

Modems and network combo cards

Monitors and displays

Flat panel displays

Monitors

Touch screen monitors

Network hardware, components and accessories

Adapters

Data service units (DSU's)

Hubs or concentrators

Media filters

Multistation access units (MAU's)

Network bridges

Routers

Wide area network (WAN) cards

Network repeaters

Attached resource computer network (ARCnet) repeaters

Ethernet repeaters

Fibre distributed data interface (FDDI) repeaters

Token ring repeaters

Network switches

Asynchronous transfer mode (ATM) switches

Fibre distributed data interface (FDDI) switches

Local area network (LAN) switches

Wide area network (WAN) switches

Printers

Band printers

Dot matrix printers

Inkjet printers

Label printers

Large format printers

Laser printers

Line matrix printers

Page printers

Plotters

Thermal tape printers

Radio systems

Receivers

Short wave equipment

Transceivers

Transmitters

Tuners

Telecommunications equipment

Electronic sound equipment

Intercommunications or paging systems

Line conditioners

Pagers or beepers

Public address equipment

Satellite communication equipment

Teleconferencing equipment

Telegraph equipment

Teletype equipment

Wireless base stations

Telephony equipment

Analogue or digital cellular telephones

Analogue or digital telephones

Answering machines

Cordless telephones

Exchange components (CODEC)

Exchange data interface cards

Exchange datacom modules

Exchange trunk interface or card components

Mobile telephones

Pay telephones

Phone exchange interfaces or components

Premise branch exchange (PBX) systems

Punch down blocks

Switchboard equipment

Telephone headsets

Telephone switching equipment

Voice mail systems

Securised Hardware

Crypto

Rugged

Rugged Computers

Rugged Displays

Rugged Network

Rugged Peripherals

Tempest LEVEL I (AMSG720B)

Tempest LEVEL I Computers

Tempest LEVEL I Displays

Tempest LEVEL I Network

Tempest LEVEL I Peripherals

Tempest LEVEL II (AMSG788A)

Tempest LEVEL II Computers

Tempest LEVEL II Displays

Tempest LEVEL II Network

Tempest LEVEL II Peripherals

ZONED

ZONED Computers

ZONED Displays

ZONED Network

ZONED Peripherals

Security Software

Software

Business transaction and personal business software system software

Accounting software

Facilities management software

Financial analysis software

Inventory management software

Investment management software

Software suites

Tax preparation software

Time accounting or human resources software

Communication Software

Desktop communications software

Exchange software

Interactive voice response software

Modem software
Remote access software
Video conferencing software

Database systems

Database software

Document creation software

Desktop publishing software
Document management software
Electronic publishing software
Optical character reader (OCR) software
Presentation software
Scanner software
Voice recognition software
Word processing software

Drawing and imaging software

Charting software
Computer-aided design (CAD) software
Computer-aided manufacturing (CAM) software
Form-making software
Graphics software
Mapping software

Industry specific software

Aviation ground support software
Aviation test software
Flight control software
Point of sale (POS) software

Internet and intranet software

Internet browsing software

Miscellaneous software

Computer game software

Educational software

Entertainment software

Family titles

Screen savers

Training software

Multimedia software

Music or sound editing software

Networking software

Administration software

Bridge software

Communications server software

Compact disc (CD) server software

Gateway software

License management software

Mainframe transaction processing software

Multiplexer software

Network analysis software

Network connectivity terminal emulation software

Network monitoring software

Network operating system software

Network security software

Networking developer's software

Operating system enhancement software

Optical jukebox server software

Platform interconnectivity software

Switch or router software

Transaction server software

Operating systems

Mainframe operating system software

Personal computer (PC) operating system software

Print shop software

Address book-making software

Label making software

Programming languages and tools

Compiling softwares

Configuration management software

Development software

Graphical user interface (GUI);tools

Program testing software

Programming languages

Scheduling and productivity software

Contact management software

Project management software

Scheduling software

Software utilities

Backup or recovery software

Bar coding software

Compression utilities

File security or data security software

Foreign language translation software

General utility software

Print utility software

Storage media loading software

Virus protection software

Spreadsheets and enhancement software

Spreadsheet software

Miscellaneous

Audio/Visual Equipment

Digital camera
LCD projectors
Television
Video camera
Video cassette recording
Video project equipment

Electrical components and supplies

Power distribution units (PDU)
Power supply units (UPS)

Global positioning systems (GPS)

Office Equipment, accessories and supplies

Facsimile
Photocopiers

Power generation and distribution

Batteries and accessories
Electrical wire, cable and harness
Network cable
Power generators

Prefabricated structures

Container units
Shelters

Services

Civil Services

Building support, maintenance and repair services

Electrical Services
Communication equipment installation
Electrical power systems installation or services

Electronic controls installation

Safety and security systems installation

Environmental Services

Environmental Management

Environmental Protection

General building construction

Infrastructure construction and maintenance

Transportation, Storage and Mail Services

Material packing and handling

Storage

Transport operations

Computer services

Computer programmers

Programming

Data services

Data processing or preparation services

On-line data processing

Information retrieval systems

Database information retrieval

On-line database information retrieval

Remote database information retrieval

Internet services

Electronic mail service provides

Internet service provides (ISP)

Web search engine providers

World wide web site design services (WWW)

World wide web site operation (host) services (WWW)

Management information systems (MIS)

Database design

Electronic data interchange design (EDI)

Local area communications design (LAN)

Systems architecture

Wide Area communications design (WAN)

Software engineering

Application implementation services

Application programming services

Client/server programming services

ERP/database applications programming services

Internet/intranet client application development services

Internet/intranet server application development services

Mainframe software application design

Operating system programming services

Personal Computer application design

Systems integration design

Systems administrators

Computer, network or internet security

Data storage

Database analysis

Local area network maintenance and support (LAN)

Mainframe administration services

Proprietary or licensed systems maintenance or support

System installation

Systems analysis

Wide area network maintenance and support (WAN)

Educational and training services

Computer based training (CBT)

Educational facilities

Vocational training

In service training/manpower development

Management, Business Professionals and Administrative Services

Business administration services

Business facilities

Management support services

Human resources services

Human resource development

Personnel recruitment

Temporary personnel services

Management advisory services

Business or corporate management

Industrial management

Project management

Research and Science-based Services (no computer services)

Earth science services

Cartography (Geographic Information Systems)

Economics

Manufacturing technologies

Facilities management

Professional engineering services

Civil engineering

Electrical and electronic engineering

Mechanical engineering

Statistics

Security and Safety Services

Military services and national defense

Science and research

Security and personal safety

Security systems services

Procedures for International Competitive Bidding

Paragraph 5. Eligibility¹

- (i) A host nation must admit to the bidding any eligible firm of another participating country. Bidding instructions to firms and manufacturers shall state that firms from other than participating countries are excluded from acting as contractor, sub-contractor or manufacturer. The underlying rule here is that, unless otherwise decided by the Committee, all work and manufacture should be carried out in the participating countries. Unless the host nation has been authorised to proceed otherwise, bidding instructions to contractors and sub-contractors, should therefore, state the following:
 - (a) none of the work, including project design, labour and services, shall be performed other than by firms from and within participating countries;
 - (b) no materials or items of equipment down to and including identifiable sub-assemblies² shall be manufactured or assembled by a firm other than from and within a participating country;
- (ii) (a) subject to the provisions of paragraph 7, eligibility of firms is established by means of a "Declaration of Eligibility". A specimen declaration is at Annex V. This is to be issued to a responsible authority of the host nation by the government of the potential contractor's country of origin, or by another authority designated for this purpose. This "Declaration of Eligibility" will contain the full statutory name and address of that firm.³

¹ Paragraph 5 relates throughout to declarations provided by countries of origin for specific NATO projects, and not to the index of eligible firms maintained by some host nations. Where these standing lists are provided the country of origin should show the firms in alphabetical order and state their respective specialization. The list should be given a serial number and any amendments to the list should also bear a serial. N.B. These lists do not count as a "Declaration of Eligibility" under the terms of paragraph 5 above.

² Assembly : An item forming a portion of an equipment, that can be provisioned and replaced as an entity and which normally incorporates replaceable parts of groups of parts (MAS(TC)30-AAP-6/1(10th March 1986)Definitions

Sub-Assembly : A portion of an assembly consisting of two or more parts that can be provisioned and replaced as an entity - this definition purposely excludes components and/or parts (as defined in ACodP-1), which are not subject to the provisions herein

Manufactured: Made on an industrial scale.
Assembled: Fit together parts of.
Made in: Form from parts in.

³ Whenever possible it should also show the section/branch responsible for handling the work, with the telephone number, telex number and name of individual concerned.

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(b) the country of origin must declare that, if responsible for awarding a contract for similar work, it would itself admit the firm as a competitor. This declaration signifies that the firm is technically, financially and professionally capable of undertaking a project of the scope envisaged in the invitation for bids (IFB).

The firm should have provided or be presently providing goods and services similar to those specified therein to other customers or can be expected to show to the host nation the capability of doing so through its response to the IFB in question, and has expressed an interest in responding to that IFB. Countries of origin should avoid including the names of firms which would not be likely to bid for the kind of work envisaged;

(c) if the contract will involve passing on of NATO classified information to firms, or requires firms to have access to restricted areas of military installations, the declaration must, in addition, include the security classification of the firm which must be equal to or of a higher level than the requirement of the host nation;

(iii) (a) countries of origin of firms are at liberty to make declarations either individually or collectively, but collective lists are preferable. Declarations should be supplied to the host nation through the diplomatic representative of the country of origin in the capital of the host country;⁴

(b) the fact that a firm is not covered by a "Declaration of Eligibility" or that such a declaration is incomplete does not immediately eliminate this firm. This case will be handled in accordance with paragraph 7 below.

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4 Declarations of Eligibility shall normally be supplied as in 5(iii)(a) but, if required, a country of origin may determine that such declarations will be transmitted from its NATO delegation via the NATO delegation of the host nation provided advance notice is given to the host nation.

Paragraph 12. Evaluation of Bids

(i) General

Host nations are encouraged to develop and follow formalised procedures for the evaluation of bids to ensure complete objectivity and non-discrimination.

(ii) Discussions with Bidders (Offerers) during evaluation process

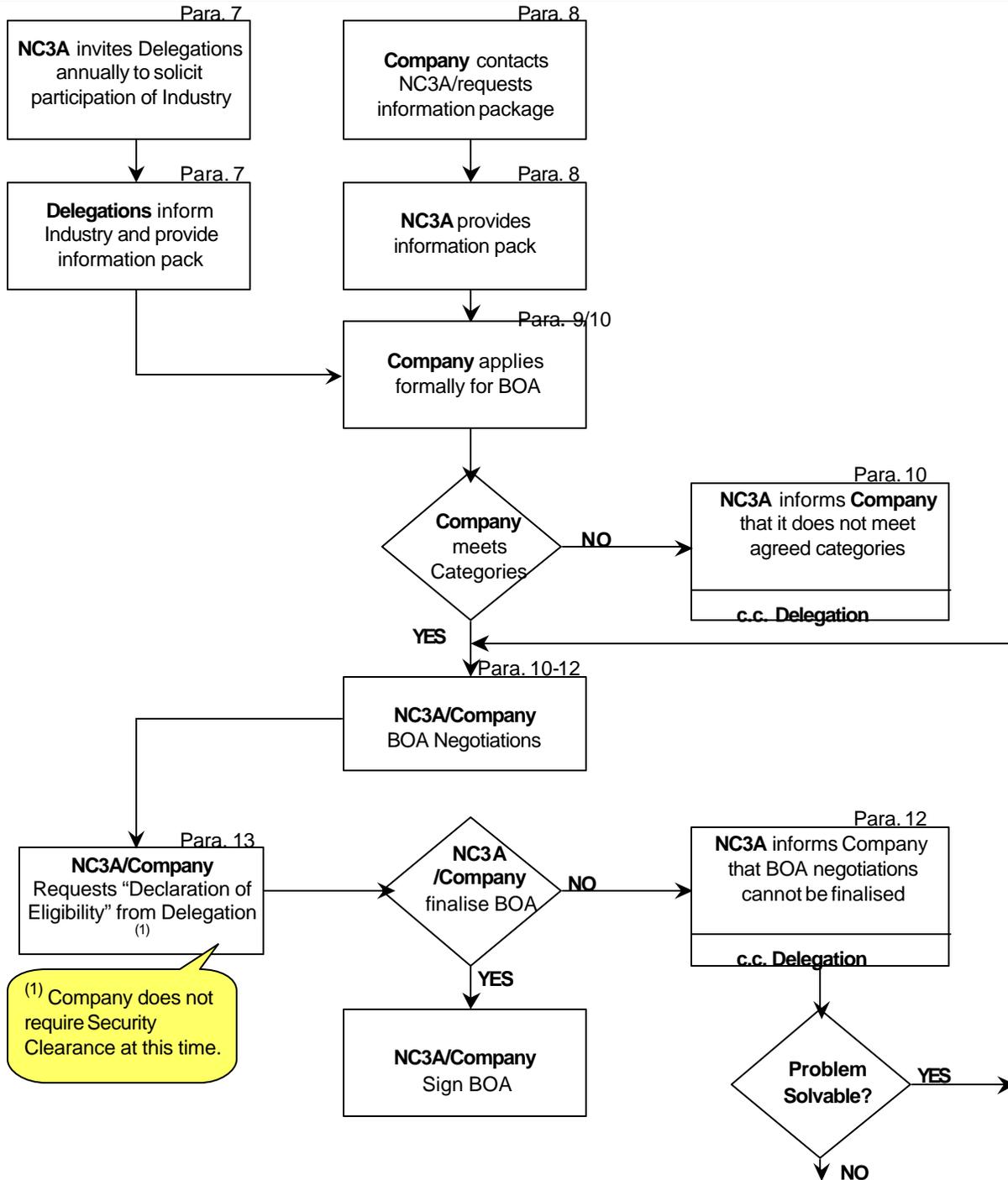
In accordance with the general principles expressed in paragraph 1 of this document, host nations are encouraged to discuss the offer made with the bidder concerned in order to clarify what is being offered and to resolve any potential areas of non-compliance. The objective of this process should be to achieve the maximum number of technically compliant bids and thus reduce the chances of dispute in this respect and allow selection to be made on the straightforward question of price. However, no alteration of bids (including technical, financial and schedule changes) are permissible.

(iii) Comparison of bids without taxes and duties :

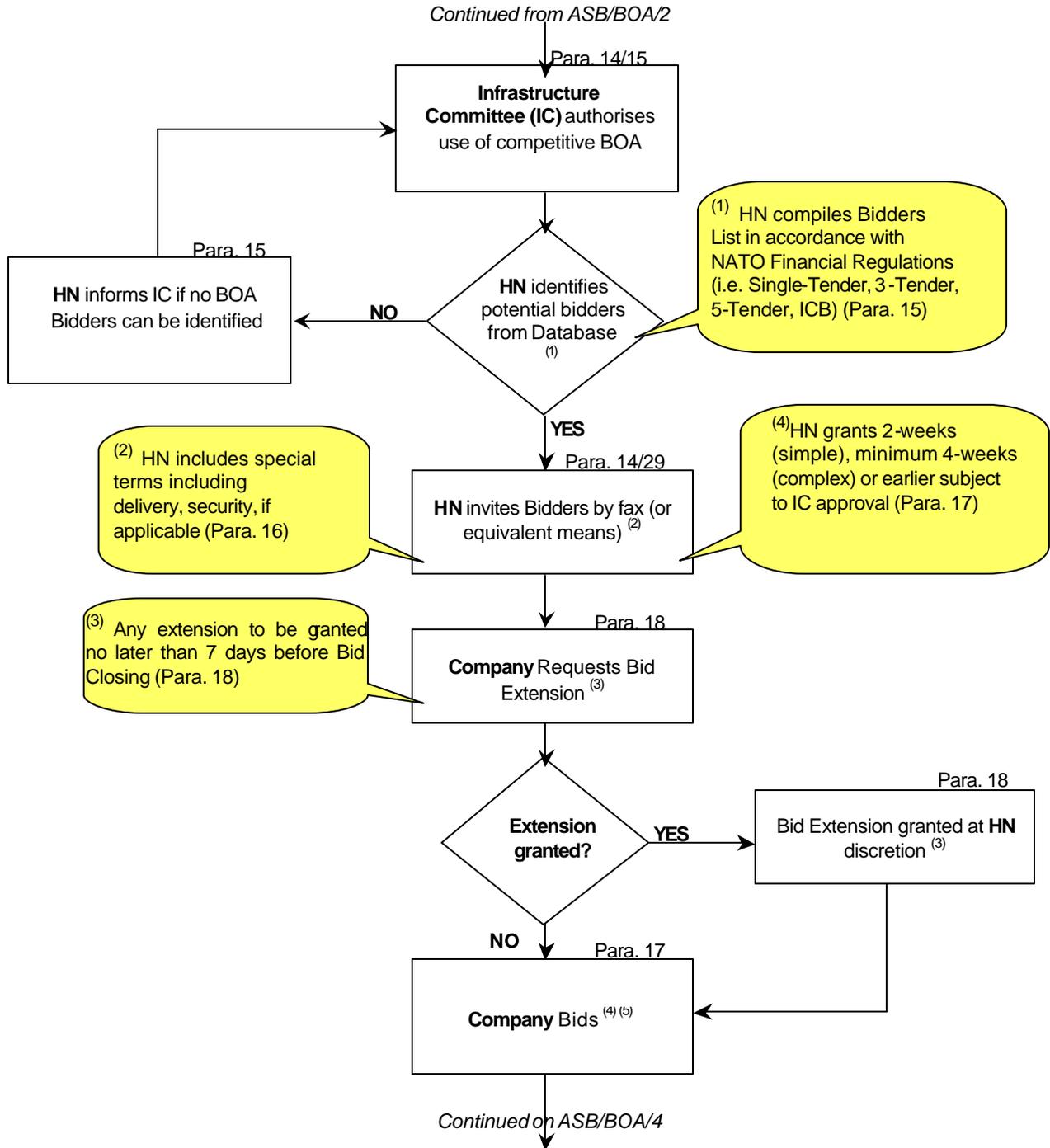
- (a) bids will be compared on a tax exclusive basis;
- (b) to achieve this, all bids will be certified as not including any identifiable taxes. Identifiable taxes are defined as host nation VAT, customs/import duties and such other taxes as may be required by host nation legislation;
- (c) However, where host nations do not exempt NATO Infrastructure procurements from taxation and duties and the taxes and duties are charged and collected but borne by the host nations, contractors will, if so required, add to their basic bid the taxes and duties they expect to be levied, it being understood that contract award would be made on the basis of the principle of bid comparison set forth in sub-paragraph (a) above. To assist contractors, the "cahier des charges" should inform bidders of national taxes and duties that the host nation may expect to levy. In such a case these expenses will be listed as a separate item.

---OOO---

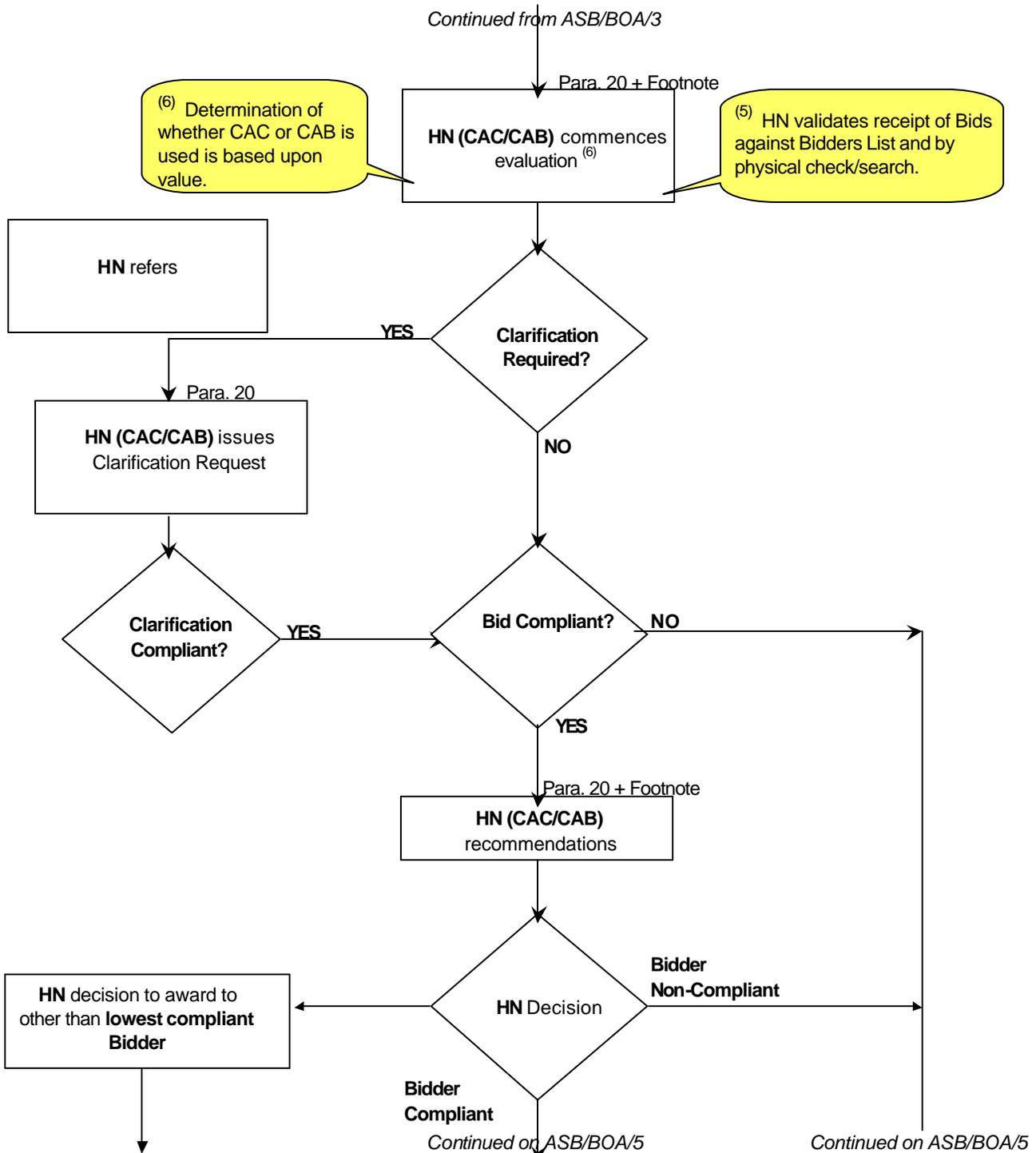
FLOWCHART: HOW TO OBTAIN A BOA



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