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29 January 2018

DOCUMENT
BC-D(2018)0004-FINAL

BUDGET COMMITTEE
BUDGET PROCUREMENT GUIDANCE

Note by the Secretary

Reference: BC-D(2018)0004-REV1 + AS1

1. Please find attached the Budget Procurement Guidance approved by the Budget Committee on Monday, 29 January 2018 under Silence Procedure.
2. This document supplements the NATO Financial Regulations and the Financial Rules and Procedures by providing standing direction and guidance to NATO Procurement Authorities for common funded procurement activities.

(Signed) R. STRASSER

3 Annexes
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BUDGET PROCUREMENT GUIDANCE

References: (a) C-M(2015)0025 NATO Financial Regulations
(b) BC-D(2015)0260-REV1 NATO Financial Rules & Procedures

AIM

1. To provide direction and guidance to NATO Procurement Authorities regarding the requirements for transparency and visibility needed by the Budget Committee in order to properly fulfil its responsibilities for common funded procurement as a finance committee under the NATO Financial Regulations (NFRs) approved by Council at reference A¹. It supplements the existing guidance contained in the NFRs and the Financial Rules and Procedures (FRPs) approved by the BC at reference B.

APPLICABILITY

2. This guidance is intended for all NATO Procurement Authorities (i.e. Allied Command Operations (ACO), Allied Command Transformation (ACT), the International Military Staff (IMS) and the International Staff (IS)) for whom the Budget Committee is the relevant finance committee.

3. In addition, other NATO Procurement Authorities (i.e. customer funded bodies – primarily the NATO Communications & Information Agency (NCIA) and the NATO Support & Procurement Agency (NSPA)) are also involved in the provision of goods or services paid for by common funding. In accordance with FRP XXXII sub paragraph 22, such activity shall normally be governed by their own procurement rules and procedures subject to any stipulations of the Budget Committee. Where appropriate, the applicable stipulations are identified in this guidance.

PRECEDENCE

4. All of the provisions of this document are intended to be in full conformity with the NATO Financial Regulations (NFRs) and Financial Rules and Procedures (FRPs). In the event of competing interpretations or applications, the NFRs and the FRPs shall prevail.

5. This guidance sits alongside separate procurement guidelines available on the NATO Security and Investment Programme (NSIP) and also the annual Civil and Military Budget Guidance issued by the Budget Committee which (inter alia) set out the common funding approvals process.

¹ Apart from the explanations given in the following paragraphs, further transparency is given in Appendices 1 and 2, which illustrate the hierarchical integration of the procurement guidance and shows in a simplified way the bidding and award procedure foreseen in the NFRs/FRPs.

PRINCIPLES

6. The overarching principles governing procurement and contracting are set out in Article 32 of the NFRs and the associated FRP XXXII.

CONTEXT

7. Procurement activity by common funded NATO Bodies has become increasingly complex and includes numerous funding sources, not just common funds from the military and/or civil budgets (MB/CB). This variety of funding sources bring a different combination of risk that could, if not properly managed, eventually be attributable to NATO. An overview of the types of procurement activity that NATO Procurement Authorities under the purview of the BC may be engaged in is set out below.

a). Any procurement funded entirely with NATO common funds is governed by the provisions of the NFRs, the FRPs and this guidance;

b). In the event of shared contracts, where only a part of the requirement is eligible for common funding, a common funded NATO Procurement Authority may be required to underwrite the entire project. In such circumstances, this guidance should be taken into consideration and prior approval of the associated framework agreements shall be obtained from the Budget Committee;

c). In the event of contracts where there is no eligibility for common funding but where NATO has a responsibility to provide services (such as Trust Fund activity or under Nation Borne Costs principles (i.e. costs associated with the individual (food, accommodation, laundry))), such activity will be covered by separate national or multi-national agreements and not by this guidance.

8. In all cases, risks to NATO common funding must be mitigated in the detailed contract negotiations and relevant terms and conditions. Such agreements should be visible to the relevant governing bodies (including the Budget Committee) as necessary and appropriate.

ROLES AND RESPONSIBILITIES

9. The Budget Committee must fulfil its role as a finance committee by being responsible for monitoring compliance, effectiveness and efficiency of procurement activities using common funding. In addition, and to the extent it deems necessary, the Budget Committee may direct NATO Procurement Authorities to inform the committee about procurement actions, including beyond the level set out in this policy.

10. The NATO Headquarters International Staff (NATO Office of Resources) is responsible to support the procurement decision-making process for the Budget Committee. This includes, but is not limited to, preparing documents for joint review by the IC and BC where MB funding considerations are attached to a procurement activity for the NSIP. The

IS may be invited to provide advice on procurement matters or to prepare reports within means and capabilities.

11. NATO Procurement Authorities are responsible for timely and efficient procurement of best value goods and services required by Budget Holders in full compliance with procurement principles established in Article 32 of the NFRs and with the provisions of any other financial and procurement regulations that may be applicable to each NATO Procurement Authority.

12. In order to safeguard the integrity of the process, NATO Procurement Authorities will ensure that procurement will be performed by staff with appropriate qualifications in compliance with the procurement rules and regulations specific to their NATO Body that have been agreed by management or the appropriate governing bodies.

13. The timely definition of the detailed requirements that lead to technical solution is a key element in this process. Additionally, the User must establish a realistic required delivery date by which the procurement activity must be completed. The User is a key player in the acceptance testing and handover process and has a right to be kept informed of the status of procurement and to expect that the NATO Procurement Authority will respect the interests of the User throughout the process. The User must be fully aware of the acceptance criteria specified in the contract and inform the NATO Procurement Authority when goods and services have not been provided to the contracted standard.

Procurement through another NATO body

14. NATO Procurement Authorities must comply with the provision specified in FRP XXXII sub paragraph 22 when the stated authorities procure goods and or services through another NATO body.

15. In order to have an intelligent customer view, the Budget Holder, must substantiate the overall requirement, and when approved, should work in close coordination with the designated NATO Procurement Authority on how best to procure the requirement.

16. In accordance with FRP XXXII sub para 22, the Budget Holder and the NATO Procurement Authority that will execute the procurement will enter into customer agreements to their respective roles and responsibilities and define the terms of service (including any multi-year requirements), what information is needed and in which manner it should be reported. It is the responsibility of the Budget Holder to ensure, when the customer agreement is signed, that suitable budget authorisations (**including any multi-year requirements**) are available for the services to be provided under the customer agreement. The corresponding commitments are approved by the Budget Holder's Financial Controller in accordance with FRP XXV. Budget Holders are not responsible for the contractual arrangements that a NATO Procurement Authority may enter into for the provision of agreed services.

REPORTING REQUIREMENTS

17. All NATO Procurement Authorities are responsible to fulfil the reporting requirements established by the Budget Committee. In order to provide increased transparency the BC expects information presented to it by all NATO Procurement Authorities (including those agencies not under the direct remit of the BC but who are engaged in the provision of goods and services using common funding approved by the BC) in annual acquisition reports will be standardized and submitted by the end of March and contain the following elements:

- list of all contracts above EFL Level D awarded in the previous fiscal year (see table A at appendix 3);
- summary of approved procurement deviations² showing as an percentage by quantity and value of total contracts awarded (see table B at appendix 3).
- summary of procurement awarded through simplified procurement procedures (see table C at appendix 3);
- Value of procurement activity conducted with NATO Agencies by NATO Bodies at the aggregate level (see table D at appendix 3);
- top 10 procurement spend by value and nationality (see table E at appendix 3);
- Procurement spend per supplier nationality (see table F at appendix 3); and,
- 5 year competitive acquisition plan above EFL Level D (which should be made publicly available on the procurement websites of NATO bodies) (see table G at appendix 3).

18. The tables should be accompanied by supporting analysis as appropriate. The financial information should be expressed in EUROS and the date of the appropriate exchange rate used should be indicated in each table. Annual acquisition reports should include a high level summary of the overall performance of the NATO Procurement Authority in contracting, including efforts taken by NATO Procurement Authorities to generate and deliver efficiencies and to improve their working practices which may be deemed to be of interest to the BC.

LIFE CYCLE COST CONSIDERATIONS

19. **Description and Application.** Life cycle costing is the consideration of development, acquisition, operating and maintenance and disposal costs when evaluating alternatives for new capabilities. In the NATO context this means considering manpower (military and/or civilian posts), running and disposal costs from the MB and the investment costs from the NSIP. Life cycle costing forms an integral part of the medium term resource planning process and must include approval of the eligibility and affordability and scope, cost, schedule, acquisition strategy and tolerances. There is an initial effort to identify these costs at the time of approval of capability packages; there must be a further refinement at

² See glossary for definition

the time of authorisation of the project by the IC. Host Nations and Budget Holders must keep these costs under regular review and submit regular updates to the BC as these costs mature especially to ensure that they remain affordable. In line with current NSIP Implementation Management Procedure policy³, PIPs with significant O&M (above EFL Level E €800,000) must be presented to the BC. In addition to affordability issues, the BC expects submission to it on investment decisions with significant O&M implications to include an assessment of legacy systems which will be replaced, when they will be phased out and key decision points.

20. **General Procedure.** The BC shall be informed of the intention of a Host Nation to conduct a single procurement action in which there will be provision for acquiring both the capability and the integrated logistics support needed to operate and/or maintain it using budget funds. This will be achieved by means of an additional section in the IS report that is presented to the IC for authorisation of the first stage. For the BC portion, the report will address financial, procurement and Contractor Logistics Support (CLS) aspects. An Operations and Support Concept (OSC) including Contractor Logistics Support (CLS) aspects, will be prepared by the Procurement Authority in consultation with the Budget Holder(s)⁴ and with involvement of the NATO Office of Resources as needed. This OSC will be summarised so that the BC has visibility regarding the approach to be taken for operating and maintaining the capability once it has been acquired and how this will influence the contracting process. Under normal circumstances, the BC's consideration of the report will take place so that the Committee's views can be taken into account in the decision-making document that will be presented to both the IC and BC.

21. **First Stage.** In parallel with the IC authorisation of the first stage of a project to be acquired by means joint investment/CLS procurement, the BC will:

- note the procurement strategy and specifically if price considerations will be based upon investment or total cost of ownership;
- note the project schedule including the anticipated start of the CLS contract and its termination date;
- note the estimated cost of the CLS contract and the latest affordability assessment;
- note the provisions of the Operations and Support Concept; and,
- note that contract authority for the CLS contract will be required.

22. **Authority to Issue the IFB Stage.** The report prepared by the International Staff at this stage will contain a portion applicable to the BC. In parallel with the IC's Authority to Issue the IFB, the BC will:

- be informed by the NATO Procurement Authority/Budget Holder of the current cost of the anticipated O&M and demonstrate that O&M x 125 percent is affordable under current approved planning data;

³ (AC/4-D(2011)0006, paragraph 9).

⁴ In this context, the Procurement Authority will normally be a NATO Agency. Exceptionally a Budget Holder may fulfil this role, in which case, the consultation will be internal to the entity.

- be invited to grant the Budget Holder the contract authority in the amount of the CLS contract value (x 125 percent);
- invite the Budget Holder to take note of the future expenditure, to include this in financial planning data, to revalidate the costs and reflect them in budget submissions and to track the status of the acquisition process;
- invite the NATO Procurement Authority to inform the BC of the results of the source selection process including details of the CLS portion of the contract within one month of contract award.

DEVIATIONS

23. Deviations from procurement rules and procedures may only be authorized by the Financial Controller in the interests of security, urgency, standardization of equipment or in exceptional circumstances. The latter may include circumstances where in a theatre of operations local options may be more cost effective and therefore in NATO's best interests. All requests for deviations must be supported by an appropriate justification and impact statement.

24. Deviations above EFL E must be approved by the BC. In such instances a request for a deviation, supported by appropriate justification (including an impact statement), shall be submitted to the BC for consideration and approval by the NATO Procurement Authority after coordination with the Budget Holder. Deviations may be of a standing nature or ad hoc and time limited.

25. Budget Holders must ensure that all requests for deviations are submitted in a timely fashion to allow proper consideration by the BC. Budget Holders must not assume that requests to deviate from normal procurement procedures will automatically be granted.

26. Noting the procurement principles specified in Article 32 of the NFRs, there may be instances where obtaining goods and services for a NATO Body (who is part of the NATO Command Structure) from existing contractual arrangements put in place by the Territorial Host Nation may be desirable in lieu of the normal competitive procurement process. BC approval shall be required in such circumstances. In these ad hoc occasions, market surveys should be conducted at least every 5 years to ensure that the price remains fair and reasonable for the standing deviation to continue. The precise funding shall be articulated in agreements formalised between the Territorial Host Nation concerned and the NATO Procurement Authority.

ALLIANCE OPERATIONS AND MISSIONS (AOM)

27. The aim of all procurement for Alliance operations is to deliver the capabilities, goods and services required by military commanders as expeditiously as possible within realistic timelines and with due consideration to costs, achieved wherever possible through a competitive bidding process. Although the majority of common funded procurement in support of operations and missions fit within existing regulations, there may be instances where the theatre Head of Contracts, in coordination with the Financial Controller, may have

to expedite an immediate response to a critical event within prescribed limitations. Such action will be coordinated with the military chain of command and where common funding is involved, communicated to the BC at the earliest possible opportunity to rectify the situation. Such activity will be in accordance with the mission specific eligibility criteria approved by Council.

28. For procurement activities undertaken as a result of an outsourcing decision made by the Resource Policy and Planning Board, the Procurement Authority, and/or ACO where a NATO agency will fulfil that role, will provide the BC with details of the procurement at the time of the request for funding. This will include information regarding financial amounts, procurement method, duration of contract, outline statement of work, and intended time and procurement method for re-competing the contract (if applicable).

29. In some instances contractual responsibility for the provision of goods and services to NATO elements in a theatre of operations may rest with an individual NATO Nation as a third party (Lead Nation) The BC may in such instances grant authority to a NATO Budget Holder to ensure that appropriations are available for the provision of essential services provided by the third party (Lead Nation).

30. In the event where AOM are of an enduring nature and the local market is sufficiently stable and secure, it may be advantageous for the theatre Head of Contracts to use local firms. For non-Article 5 operations and missions the use of local contractors normally necessitates the requirement for a deviation from normal procurement rules. Such standing deviations will be submitted to the BC for approval and reflected in the annual budget submissions for the operation or mission concerned.

GENERAL PROCUREMENT SHARED SERVICES

31. The Council has agreed (PO(2015)0040) that NSPA would be the service provider for General Procurement Shared Services (GPSS) and that NATO-IS, IMS, NSO, NCIA and NSPA would be the mandatory members of the scheme. A Customer Agreement and a Programme Directive have been developed to implement the GPSS process and other Budget Holders are encouraged to use GPSS wherever feasible and cost effective.

NATO – INDUSTRY ENGAGEMENT

32. NATO – industry engagement is managed through the CNAD and they agreed a framework in 2013 which was noted by Council (C-M(2013)0055). This framework sets out the wide spectrum of arrangements NATO has for interacting with industry and the modalities for improving NATO-industry engagement including the involvement of Small and Medium-sized Enterprises (SME). It also highlights the importance of trust, transparency, fairness, inclusivity, equal treatment and opportunity.

33. The framework also highlights the NATO business portal aggregates all the information regarding business opportunities into a single point of entry on the main NATO website (www.nato.int > organisation > business opportunities). More detailed, specific

information can be found on the dedicated business websites that NATO Bodies have to advertise business opportunities. Information from subordinate headquarters will be collected and published at the higher command level.

PROTEST AND DISPUTE PROCEDURES

General

34. Any Interested Party must be able to raise a protest if a decision of a NATO Procurement Authority violated applicable regulations and solicitations procedures and prejudiced the Interested Party.

35. The protester has the burden of demonstrating that the action of the NATO Procurement Authority was clearly unreasonable and prejudiced the protester's interests. A protester must be able to show that but for the error by the NATO Procurement Authority, there would have existed a substantial chance that they would have been awarded the contract.

36. Prior to the submission of a protest, all parties shall use their best efforts to resolve issues and concerns raised by an Interested Party. Best efforts include conducting open and frank discussions among the parties.

NATO Procurement Authority's Protest Resolution Procedures

37. NATO Procurement Authorities should establish their own protest resolution procedures allowing for the inexpensive, informal, procedurally simple, and expeditious resolution of protests without the involvement of the Budget Committee.

38. NATO Procurement Authorities protest resolution procedures should resolve protests effectively, building confidence in the procurement system while reducing protests through the NATO Committees and/or judicial protest fora.

39. NATO Procurement Authorities must describe their protest resolution procedures in the procurement regulations specific to their NATO Body and make them available to prospective bidders through their business opportunities sites or through the provisions of the solicitation of offers. The stated procedures must be consistent with the principles and provisions of NFR/FRPs and this Guidance.

40. Interested Parties must attempt the resolution of the protest through the applicable procedure before attempting the resolution of the protest at the Budget Committee level through the formal dispute procedure described later in this section.

Suspension of Award

41. A NATO Procurement Authority shall not make an award if a protest is filed before award. However, the NATO Procurement Authority may override the stay if contract award

is justified in light of urgent and compelling reasons (i.e., a situation that if not immediately corrected endangers life, property, or mission).

42. The override decision must be made in writing and approved by the Contract Awards Committee (CAC) of the NATO Procurement Authority.

43. If the NATO Procurement Authority elects to withhold award, it must inform all affected parties of that decision. If appropriate, the NATO Procurement Authority should obtain extensions of bid/proposal validity period from bidders. If the NATO Procurement Authority cannot obtain extensions, the CAC may consider an override of the stay and proceed with making contract award.

Budget Committee Dispute Resolution Procedures

For Contracts Exceeding EFL Level D Threshold up to Level E

44. The dispute procedure shall take into account reasonable time limits for the lodging of complaints by delegations with the Procurement Authority. The time limits must allow for a debriefing by the Procurement Authority, and a decision by the Source Selection Authority/Financial Controller.

For Contracts Exceeding EFL Level E Threshold

45. Interested Parties may raise protests for resolution at the Budget Committee level when:

- A NATO Procurement Authority has violated applicable regulations and solicitations procedures and prejudiced the Interested Party; and
- The Interested Party has not obtained appropriate redress at the NATO Procurement Authority level either through the Procurement Authority's protest resolution procedure or through amicable settlement with the NATO Procurement Authority.

46. The Interested Party must file its protest within 10 calendar days from the date on which the Interested Party was notified of the decision of the NATO Procurement Authority denying or dismissing the protest.

47. Interested Parties must raise their protests for resolution by official letter to the Chairman of the Budget Committee level through their national representative to the Budget Committee. Protests must be clear and concise. Failure to submit a coherent protest may be grounds for dismissal.

48. Should a delegation consider that the protest is timely and legitimate in accordance with the conditions stated above, it shall submit, within 5 calendar days, a formal request to the NATO Procurement Authority to suspend the placing or performance of the contract and

to refrain from any action which might prejudice the rights of the parties concerned. At the same time, the Budget Committee shall be informed by the delegation that a protest has been lodged and the NATO Procurement Authority shall inform the Committee, in writing, of the suspension of the award or performance of the contract. Exceptionally, the NATO Procurement Authority may override the suspension of the contract in accordance with the conditions and procedure specified in paragraphs 41-43 stated above.

49. An amicable settlement period, which will not exceed 31 calendar days from the date of receipt of the protest, will be allocated for the purposes of a debriefing by the NATO Procurement Authority, when so requested by the delegation, and for discussions leading to resolution of the protest.

50. The NATO Procurement Authority shall inform the Budget Committee of the amicable settlement of the dispute, i.e. the withdrawal of the complaint, or that resolution was not possible. If an amicable settlement was not possible, a dispute will be deemed to exist and the Committee will open discussion on the points in dispute, with input from the NATO Procurement Authority and the delegation, as needed. The issue may be discussed at not more than two consecutive meetings of the Budget Committee.

51. If, at the conclusion of the Committee discussion period, no agreement is reached between the disputants, then the Committee shall, at the end of the second and last discussion submit the dispute to the Standing Board of Arbitration for resolution where the NATO Procurement Authority is part of a NATO Body established under the Ottawa Agreement. The Board will be formed and complete its work in line with Appendix 1, Annex 1 of AC/4-D(2011)0009-FINAL⁵, paragraphs 11 through 26.

52. Where the NATO Procurement Authority is part of a Body entity established under the Paris Protocol, the delegation lodging the complaint and the bidder will be informed in writing that the NATO Procurement Authority intends to proceed with the procurement action and that it is the Interested Party's prerogative to pursue the issue in accordance with the relevant dispute resolution mechanism as outlined in the bidding documents.

REVIEW OF BUDGET PROCUREMENT GUIDANCE

53. The BC will keep this procurement guidance under regular review at bi-annual intervals.

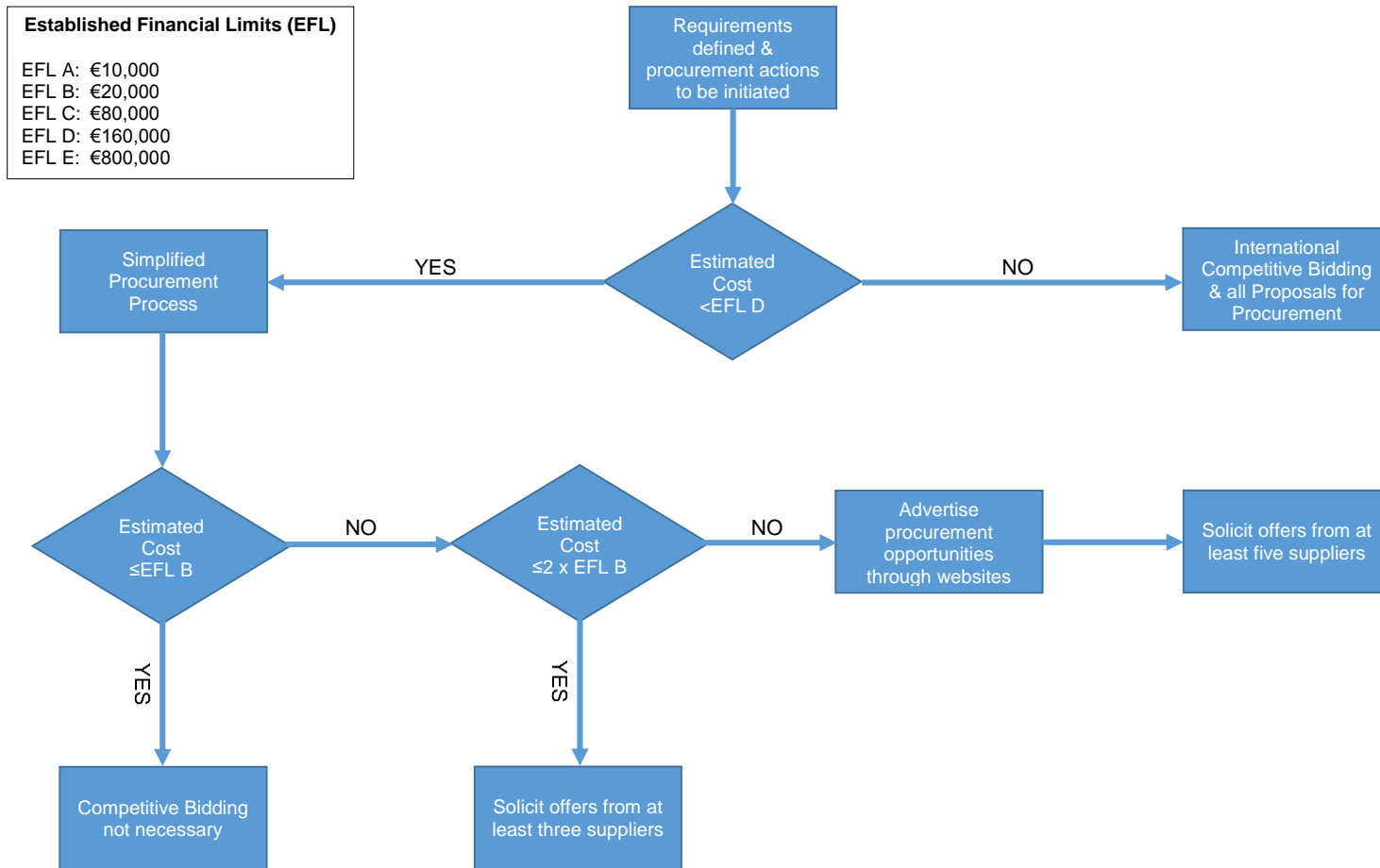
⁵ For the purposes of this Procurement Guidance only, references to "the Committee" in paragraphs 11, 12, 14, 15, and 18 of AC/4-D(2011)0009-FINAL refer to the Budget Committee. Where the Investment Committee is referred to in paragraphs 18 and 26 this shall be taken to mean the Budget Committee. In paragraph 25, "paragraph 6.(f) of Appendix 1" is replaced by "paragraph 21.3 of this document" and the last sentence is not applicable to Budget Committee arbitration.

**HIERARCHY OF BUDGET PROCUREMENT GUIDANCE
FOR NATO PROCUREMENT AUTHORITIES UNDER THE PURVIEW OF THE BUDGET COMMITTEE⁶**



⁶ NCIA and NSPA who have their own finance committees also have their own procurement directives.

BIDDING AND AWARD PROCEDURE - NFR art. 32 / FRP art. XXXII
(In the event of competing interpretations or applications, the NFRs shall prevail)



BUDGET PROCUREMENT GUIDANCE
TEMPLATES FOR REPORTING REQUIREMENTS

A. List of contracts awarded

(FISCAL YEAR) (ALL CONTRACTS ABOVE EFL Level D)									
NATO body	ICB ref no	description	Value (EUR)	Procurement method	Number of bids received	selected company	Nationality	Source of funding	Contract duration (including options)
Total									

B. Summary of Approved procurement deviations

Command/Agency	By value (EUR M)	By quantity of contracts	In % by value	In % by quantity
Procurement deviation*				
<i>Total procurement</i>			100 %	100%

*Additional explanation

C. Summary of procurement awarded through simplified procurement procedures (as set out in FRP XXXII sub paras 5-12)

(FISCAL YEAR) Procurement awarded through simplified procurement procedures below Level D		
NATO Body	Total value (EUR)	Total number of contracts

D. Value of procurement activity conducted with NATO Agencies

(FISCAL YEAR) Value of procurement activity conducted with NATO Agencies		
NATO Body (ACO/ACT/IS/IMS)	Agency	Value (EUR M)
	NCIA	
	NSPA	
	Others (if applicable)	

E. Procurement spend – top 10 suppliers and nationalities

(FISCAL YEAR) Procurement spend top suppliers				
Rank	Supplier name	Nationality	Value (EUR M)	Number of contracts

F. Procurement spend per supplier nationality

(FISCAL YEAR) Procurement spend per supplier nationality		
Nation	Amount spend	Amount spend %

G. 5 year acquisition plan (contracts subject to ICB (above EFL Level D))

5 year acquisition plan (above EFL level D)				
NATO body	Description	Contract duration	Estimated value (EUR)	Indicative timelines

GLOSSARY

BUDGET HOLDER	The NATO entity with the authority to execute a budget approved by Council
COMPLIANCE	Conformity with the Invitation for Bid
CONTRACTOR LOGISTICS SUPPORT (CLS)	This is not defined in the NATO Glossary of Terms and Definitions (AAP-06(2012)(2)) and there is no uniform definition. In the Military Budget context, CLS refers to the contracted services needed to support and sustain a specific capability usually acquired through the NATO Security Investment Programme. This generally is based upon specified level of service, often –but not necessarily– a fixed price, and a defined term. To gain more visibility into the cost of the Operations & Support phase, it is sometimes included and evaluated as part of the acquisition of the capability.
CONTRACT DISPUTE	A dispute initiated when the Contracting Officer denies the claim and the contractor notifies the Contracting Officer of his appeal of the denial, under the Dispute Clause of the contract.
CONTRACT PROTEST	A written demand or written assertion by one potential bidder against the cancellation of a solicitation or award of a contract, or terms of solicitations, etc.
DELEGATIONS	Delegations to NATO of member nations.
DEVIATION	Any departure from the standard procurement rules and procedures as specified in the NFRs/FRPs which is approved in accordance with Art 32 of the NFRs and FRP XXXII sub paragraph 13.
EFL	Abbreviation for Established Financial Limits of Discretionary Power From NATO Financial Regulations, Article 12 and Financial Rules and Procedures, Article XII sub para 1
HOST NATION	The entity (country, NATO agency, or Strategic Command) that has been designated to be responsible for the procurement of the required investment. Where there is a CLS component to be purchased along with the investment, the host nation will also be the Procurement Authority
INTERESTED PARTIES	Within the context of protest procedures, the term “Interested Parties” refers to any actual or prospective bidders with a direct economic interest in the procurement action relating to which a protest is filed

INVITATION FOR BID (IFB)	Bidding documents issued by the Procurement Authority for competitive procurements and containing technical, administrative and contractual requirements/conditions (NSIP equivalent is the Cahier des Charges)
NATO PROCUREMENT AUTHORITY	A NATO entity with the authority to enter into a contract to be executed using Military or Civil Budget funds. These include budget holders, NATO agencies, and host nations
SOURCE SELECTION	A document prepared to provide guidance to the Procurement Authority's officials regarding the process to be followed to acquire the goods or services. This will include, for example, the procurement strategy, schedule, evaluation procedures, resource requirements, cost estimate and other information required internally.
STATEMENT OF WORK	The portion of the IFB that captures and defines the work activities, deliverables, detailed requirements, timeline along with related and relevant information – such as regulatory or governance terms and conditions – that the vendor must execute for the client.
USER	The NATO entity (or element thereof) that is the beneficiary of the goods and/or services to be provided by means of the contracts.

REFERENCE DOCUMENTS

1. NATO Financial Regulations (C-M(20125)0025)
2. Financial Rules and Procedures (BC-D(2015)0260-REV1)
(applicable to NATO bodies under the purview of the Budget Committee)
3. Bi-SC Directive 60-70
(used primarily by Budget Holders, occasionally by NATO Agencies)
4. NATO Security Investment Programme Procedures for International Competitive Bidding, AC/4-D/2261(1996 Edition)
(used by NSIP Host Nations)
5. Policy for Conducting International Competitive Bidding using Best Value Evaluation Methodology – AC/4-D/2261(1996 Edition)-ADD2(1996 Edition)
(used by NSIP Host Nations)
6. Procedures and Practices for Conducting NSIP International Competitive bidding using Best Value Evaluation Methodology AC/4-D(2008)0002-REV1
(used by NSIP Host Nations)
7. Alliance Operations and Missions NSIP Procurement Regulations
AC/4-D(2011)0009-FINAL
(used by NSIP Host Nations)
8. Procedures Governing the Use of Basic Ordering Agreements (BOAs)
AC/4-D(2002)002(Final)
(used primarily by NCI, available for use by NSIP Host Nations)
9. NCI Agency Acquisition Directive
(used by the NCI Agency)
10. NSPO Procurement Regulations No. 4200
(used by NSPA)