


**NATO**  
Consultation, Command and Control  
Agency

**NC3A Procurement Processes**  
Competitive Bidding and  
Contractor Selection Principles

M.-C.Vandenberghe  
Principal Contracting Officer  
1 July 2010





## NC3A Mission



**To enable NATO success through the unbiased provision of comprehensive C4ISR capabilities**

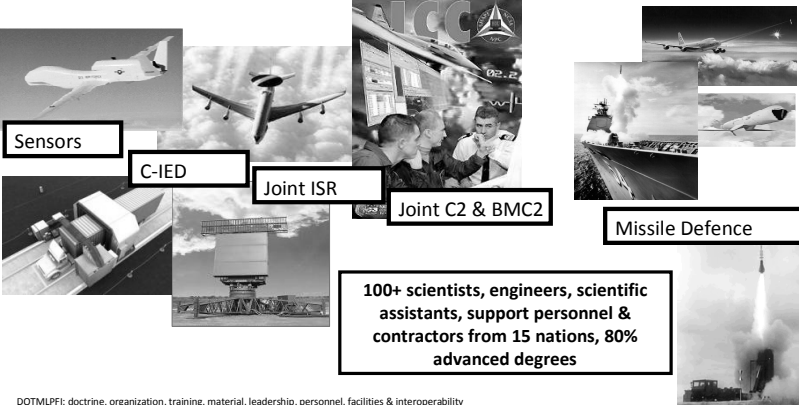
**C4ISR** Consultation Command & Control, Communications, Intelligence, Surveillance and Reconnaissance

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## Command and Control Systems

Provide scientific advice, tools and prototypes in support of capability planning, current operations and acquisition activities in the following areas:




Sensors  
C-IED  
Joint ISR  
Joint C2 & BMC2  
Missile Defence

100+ scientists, engineers, scientific assistants, support personnel & contractors from 15 nations, 80% advanced degrees


DOTMLPFI: doctrine, organization, training, material, leadership, personnel, facilities & interoperability

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## Radar Project Management Office (RPMO)

- Procurement Agent for CZE, HUR and POL:
  - Radar and GAG communication systems
- Procurement Agent for Lithuania
- CP 9A0202 ("Deployable Ground Based Sensors for Air Surveillance and Identification")
  - Sensors, Comms



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**NC3A RPMO: 10+ NC3A & National Staff**  
Project managers, System Engineers ILS Engineers, Civil Works Engineers, Contracting Officers, Radar Scientists

Transparency and integrity together with subject matter expertise and project management skills are essential components throughout the projects.

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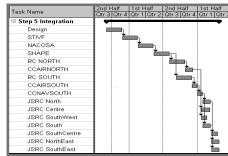
## NC3A Acquisition Capability

Provide support to scientific, current operations, NATO nations and NATO bodies in the following areas:

### Contracting



### Project Management

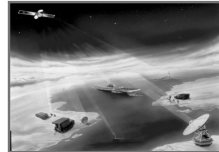


### Integrated Logistics Support Quality Assurance (QA)



145 person Military and Civilian professional acquisition staff

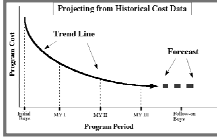
### Life Cycle Acquisition



### Facilities Engineering Configuration Management



### Cost Estimating/Analysis



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## NC3A Acquisition Roles

- Host Nation for NATO Common Funded NATO Security investment Programme (NSIP) C4ISR Projects
- Third Party Procurements:
  - Procurement Agent for other NATO Bodies
  - Procurement Agent for other NATO Nations

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## NC3A Procurement Principles

- Business has to be open to all NATO nations
- Have to establish fair and reasonable prices
- Ensure the integrity of the procurement process by:
  - Following NATO and NC3A procurement procedures
  - Documenting and reporting on work performed
- Expect scrutiny of NATO Committees and IBAN

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## NATO Procurement Procedures

- Depend on funding - IC(NSIP) or MBC
  - Infrastructure Committee (NATO Security Investment Programme) funded -
    - International Competitive Bidding Procedures, AC/4-D/2261, are the standard (1996)
    - Basic Ordering Agreement Procedures (2002)
    - Best Value Procedures (July 2009)
    - AOM Procedures (July 2007)
    - NC3A Procurement Directives (P.D. 1& 2)
  - Military Budget Committee funded -
    - NATO Financial Regulations
    - NC3A Procurement Memos 1 - 4

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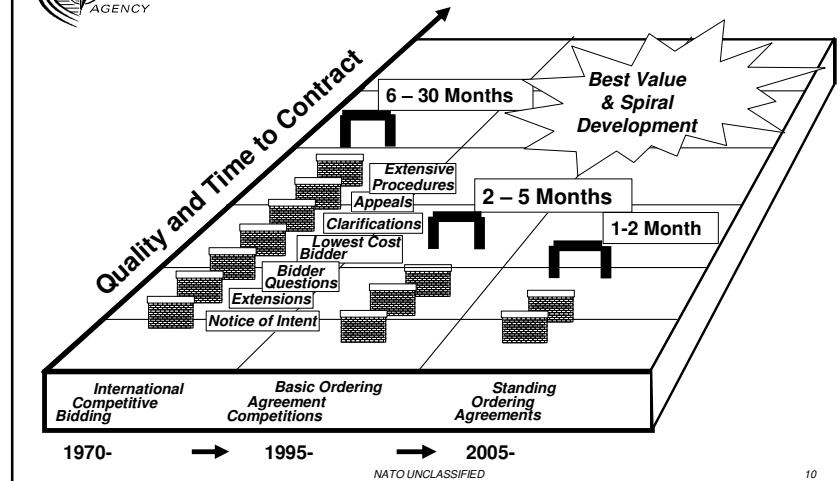
## Portfolio of Procurement Approaches

- Procurement Approaches
  - International Competitive Bidding (ICB)
  - Basic Ordering Agreements (BOAs)
  - Standing Ordering Agreements
- Selection Criteria
  - Lowest Price Compliant Bid
  - Best Value
  - Sole Source
- Implementation Strategies
  - Spiral Development
  - Life Cycle Acquisition

Match Approach  
to Project Need

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## International Competitive Bidding(ICB) (AC/4-D/2261)

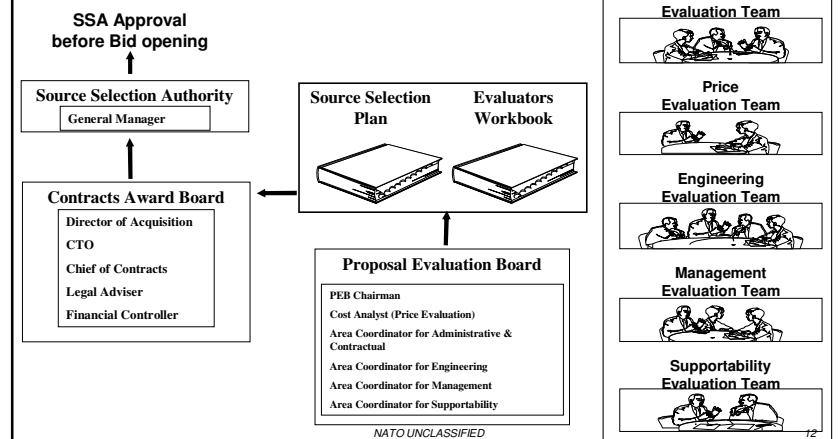
- Nations responsible for finding, screening, certifying and nominating companies
- Evaluation criteria - Lowest, compliant bid
- Evaluation process - NC3A procedures
  - Organisation: Proposal Evaluation Board (PEB), Contract Award Board (CAB), Source Selection Authority (SSA)
  - Documentation: Source Selection Plan, Evaluators Workbook, Clarification Requests, PEB and CAB Reports, SSA Decision
- Advantages and Disadvantages

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## Source Selection Organization



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## Best Value

- **Needed an alternative to “lowest price, technically compliant” ICB award criteria**
  - Emphasis on price meant couldn’t select best overall bid
- **Best Value Definition - Award is made to bid offering best overall value, taking all factors into consideration (project management, technical, supportability, and price).**
- **NC3A has had many successful cases of Best Value on large, complex projects**
- **IC approved procedure (July 2009)**

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## Best Value Source Selection Process

- **Determine weighting factors for Top Level Criteria and Sub Criteria**
  - Price 50%, Technical 20%, Project Management 10%, Supportability 10%, Risk 10%
- **List criteria in descending order of importance in solicitation**
- **Evaluation steps:**
  - Determine administrative compliance
  - Perform technical evaluation
  - Perform price evaluation
  - Apply weighting factors
  - Determine Best Value scores

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## Basic Ordering Agreements (BOAs)

- **Quick and efficient method for procurement of commercially available CIS products and services**
- **Delegations nominate companies**
- **NC3A negotiates standardised ordering agreements with major suppliers**
  - Currently 638 vendors from 27 nations
  - “Most Favoured Customer” (MFC) terms and prices with suppliers = “Strategic Agreements”
- **Access via [www.boa.nc3a.nato.int](http://www.boa.nc3a.nato.int) Free use by NATO activities, nations. Prices password protected.**
- **Have flexibility to:**
  - (1) take advantage of MFC prices,
  - (2) compete between the BOAs
  - (3) Add on to existing competitively awarded contracts

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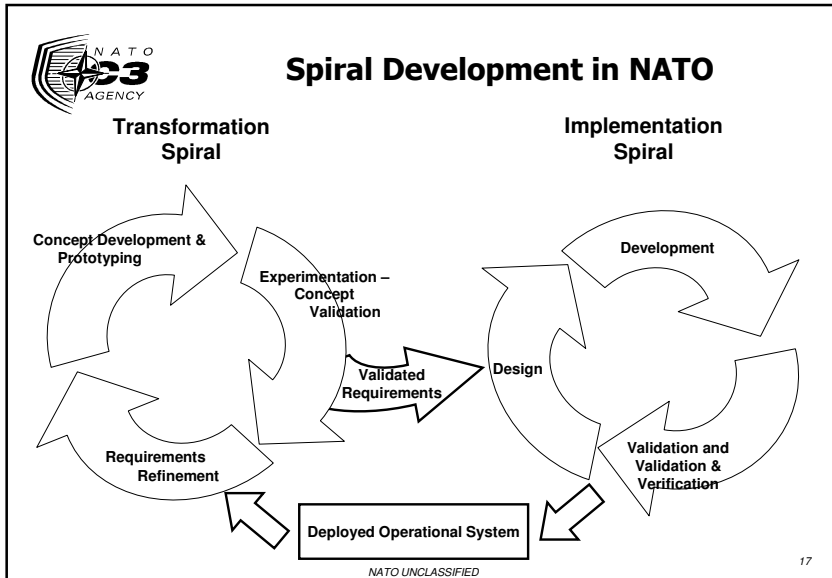


## Standing Ordering Agreements (SOAs)

- **Combine anticipated, repetitive requirements in one competition**
- **ID/IQ contracts for future orders not yet authorised**
- **Re-compete at regular intervals**
- **Types of SOAs**
  - **Services** – NC3A Support Services Contracts
  - **Hardware and Software** – Crisis Response Operations
  - **Internal Procurements** – In cooperation with other NATO Agencies
- **Advantages**
  - **Saves time** – Don’t have to re-compete for similar requirements
  - **Saves money** – Quantity discounts on prices. Less internal costs.
  - **Special terms/relationship with companies**

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## Life Cycle Acquisition

- Solicitation, bid evaluation and contracts will cover all Life Cycle requirements including maintenance phase
- NC3A has successfully performed Life Cycle Acquisition on large complex projects (Radars, BME, NCN)
- Typically NSIP acquisitions do not cover full life cycle of projects
  - Two sources of funding (NSIP and MBC).
  - Requires multi Agency coordination

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## Summary

- **NC3A Acquisition Roles:**
  - Host Nation for NATO (NSIP) C4ISR Projects
  - Procurement Agent for other NATO Bodies
  - Procurement Agent for other NATO Nations
- **Procurement Approaches**
  - International Competitive Bidding (ICB)
  - Basic Ordering Agreements (BOAs)
  - Standing Ordering Agreements
- **Selection Criteria & Source Selection Procedures**
  - Lowest Price Compliant Bid
  - Best Value
- **Implementation Strategies**
  - Spiral Development
  - Life Cycle Acquisition

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