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NATO Communications and Information Agency
Agence OTAN d'information et de communication

**Not-For-Profit Framework (NFPF)
General Rules of Operation**

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Executive Summary

The NCI Agency contribution to the fulfilment of the Alliance's objectives is encompassed in the Agency mission: delivery of C3 capabilities, provision of secure CIS services and delivery of capabilities and provision of services "other than C3/CIS" to NATO and nations.

The need for expanding cooperation with Not-For-Profit (NFP) organizations was highlighted in the "NCI Agency Workforce Plan and Approaches to Sourcing: Design Principles Governing Capacity and Staff Development" document¹, and subsequently included in the NCI Agency Strategic Plan².

Engagement with the national defence labs, academic, scientific and research institutions is particularly beneficial for the Agency's activities in capability development.

The Agency proposes establishing this NFP Framework (NFPF). To maximise the re-use of existing policies and procedures, the Framework would be established along the NATO Capability Development process, in compliance with the NATO Financial and Procurement Regulations, and by re-using the best practices and lessons learned from nearly 20 years of the Agency's execution of the Basic Ordering Agreements (BOA) Programme.

Formally, the Framework comprises (i) these General Rules of Operation; and (ii) a NFPF Agreement between the Agency and the participating national NFP organization, without the further involvement of the Board.

Eligibility will be limited to organisations from within NATO nations whose expertise areas are aligned with the mission of the NCI Agency³, and which are certified by the country of origin⁴ as not-profit making or having a legal or statutory obligation not to distribute profits to their shareholders or individual members. Organizations participating in the NFPF are excluded from participation at any tier in any of the NCI Agency's procurements addressed to Industry and vice versa.

The NFP Framework will directly contribute to expanding the Agency's cooperation ecosystem, diversifying the NATO supply chain, and enabling greater nations' engagement in the NCI Agency work.

Benefits of the NFPF for the respective stakeholders are as follows.

- NATO:
 - Expand structural frameworks for cooperation
 - Speed up project execution
 - Gain access to specialized skills and expertise and introduce innovative solutions
- Nations:
 - Bring NATO perspective into the work of national NFP organizations
 - Facilitate knowledge and information exchange
 - Benefit from NATO funding through the NFPs participation in NCI Agency projects
- NCI Agency:
 - Gain access to specialized skills and expertise
 - Simplify sourcing and incentivise cost reduction
 - Diversify the cooperation portfolio for capability development.

¹ AC/337-D(2018)0006-REV1 and AC/337-D(2018)0006-REV1-AS1

² AC/337-D(2018)0014-REV1 and AC/337-D(2018)0014-REV2-AS1

³ C-M(2012)0049, NCIO Charter, paragraph 31 (a) - delivery of C3 capabilities, provision of secure CIS services and delivery of capabilities and provision of services "other than C3/CIS" to NATO and nations

⁴ Country of origin: home country of Not-For-Profit organization (country of primary establishment or incorporation)



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1. BACKGROUND

- 1.1. In order for the Agency to deliver to a high level of quality and within the prescribed timelines, the NCI Agency requires access to specialized expertise and skillsets, while retaining flexibility in the ways and means the resources are employed.
- 1.2. While delivering its overall portfolio of work, the NCI Agency utilises three primary categories of resources: NCI Agency organic staff (civilian and military), Interim Workforce Capacity (IWCs), and a limited subset of Not-For-Profit (NFP) organizations – like national labs, academia, or scientific and research organizations. This multi-sourcing provides for the necessary flexibility to align to the workload, and ensure timely availability of required skills and expertise.
- 1.3. Although various mechanisms across NATO Bodies exist, facilitating collaboration with NFP organizations, none of them are comprehensive enough to allow for supporting the execution of NCI Agency projects.
- 1.4. The purpose of the NFPF is to establish a comprehensive platform to facilitate sourcing of the work to the national NFP academic, scientific and research and other organisations with appropriate expertise, to support the execution of NCI Agency activities in capability development across NATO and national budgets.

2. NOT-FOR-PROFIT FRAMEWORK (NFPF)

- 2.1. These General Rules of Operation establish dedicated cooperation terms and conditions with NFP organizations, building on best practices available across NATO, like the Science for Peace and Security Programme or NCI Agency's Basic Ordering Agreements (BOA) Programme. The General Rules employ principles of applicability, eligibility and cooperation model promoting competition, as outlined in the subsequent sections.
- 2.2. The NFPF will follow the NATO Financial Regulations (NFRs) and NCIO Financial Rules and Procedures, and apply them to contracting work to the NFP organizations.
- 2.3. NFPF complements the existing cooperation with Industry, and is fully aligned with the new Common Funded Capability Delivery Governance Model.

3. APPLICABILITY

- 3.1. The NFPF is a sourcing method for the solicitation of pre-defined expertise and skillsets aligned with the mission of the NCI Agency – delivery of C3 capabilities, provision of secure CIS services and delivery of capabilities and provision of services “other than C3/CIS” to NATO and nations.
- 3.2. The NFPF work in capability development covers:
 - 3.2.1. For the early stage of capability development (stage 2. Requirements Development):
 - Operational expertise to support the development of operational or functional requirements,
 - Technical expertise to support the development of technical specifications,
 - Scientific expertise to provide paper studies at technology readiness level 1, 2 or 3⁵.
 - 3.2.2. For the next stages of capability development (from the stage 3. Capability Programme Planning):
 - Technological expertise to assess innovation at technology readiness level 4, 5 or 6⁶,
 - Expertise in programme management support.
- 3.3. NFPF can be used in support of various types of activities, whenever applicable and beneficial, irrespective of the source of funding, like for example in execution of the scientific Programme of Work, research and development, implementation of projects or provision of services.

⁵ TRL (Technology readiness level) 1, 2, 3: Basic and Applied research.

⁶ TRL (Technology readiness level) 4, 5, 6: Prototype (small scale, large scale, system).



- 3.4. The listing of pre-defined expertise and skillset areas is adopted from Skills Framework for the Information Age (SFIA)⁷.
- 3.5. Graphical representation in Annex A explains how the NFPF complements the existing cooperation with Industry, and how it plays along the new Common Funded Capability Delivery Governance Model.

4. ELIGIBILITY

4.1. Eligibility criteria

- a) Eligibility would be limited to Not-For-Profit academic, scientific and research or other governmental organisations from within the NATO nations, whose expertise areas are aligned with the mission of the NCI Agency – delivery of C3 capabilities, provision of secure CIS services and delivery of capabilities and provision of services “other than C3/CIS” to NATO and nations; and which are certified by the country of origin as not-profit making or having a legal or statutory obligation not to distribute profits to its shareholders or individual members.
- b) Excluded from NFPF participation will be organizations that include industries in their memberships.

4.2. Organizations participating to the NFPF are excluded from participation at any tier in any of the NCI Agency’s procurements addressed to Industry and vice versa. Only NFP organizations from participating nations are eligible to participate in the activity, unless otherwise decided by the respective NATO Resource Committee.

4.3. NFPF Declaration of Eligibility

- a) Eligibility of NFP organizations is established by means of a "NFPF Declaration of Eligibility" (NFPF DoE). Countries of origin would be asked by the NCI Agency via national delegations to nominate eligible organisations for inclusion in the NFPF. Criteria for eligibility shall be followed, and assessed at the national level. The NFPF DoEs will have a validity period of five years.
- b) NFPF DoEs should be supplied to the NCI Agency through the national delegation to NATO of the NFP organization’s country of origin.
- c) NFPF DoE will contain the full statutory name and address of the NFP organization. The country of origin must declare that these NFP organizations:
 - have expertise areas aligned with the mission of the NCI Agency – delivery of C3 capabilities, provision of secure CIS services and delivery of capabilities and provision of services “other than C3/CIS” to NATO and nations;
 - are not-profit making or having a legal or statutory obligation not to distribute profits to their shareholders or individual members;
 - have the necessary financial, technical and professional competence to be admitted by the Government of the country of origin as bidders were it responsible for awarding contracts of this nature under the NFPF.

The NFP organization should have provided or be presently providing services similar to those required under NFPF to other customers or can be expected to show to the NCI Agency the capability of doing so through its response to the NFPF RFQ. Countries of origin should avoid including the NFP organizations which would not be likely to bid for the kind of work envisaged.

- d) The specimen declaration of eligibility, derived from the one applicable to the NSIP procurements is attached (Annex B). This is to be issued to the NCI Agency by the government of the NFP’s country of origin, or by another authority designated for this purpose. The national offices designated in the respective nations to provide declarations of eligibility for participation of their Industries to the NSIP procurements (International Competitive Bidding

⁷ The current standard of the SFIA is available at <https://www.sfia-online.org/en/framework/sfia-7/skills-home>



(ICB) and BOA Programme), would be ideally placed to lead the issuance of declarations for the national NFP organizations' participation to the NFPF. These national offices are typically located within the structures of ministry of economy or equivalent.

- e) In case of assessing eligibility of an NFP organisation for which the current designated national office is not the appropriate authority, national coordination would be required with the respective national office proper for that NFP organization (e.g. in case of academia - ministry of education or equivalent).
- f) The specimen declaration of eligibility, derived from the one applicable to the NSIP procurements is attached (Annex B).

5. COOPERATION MODEL

5.1. TWO-STEP CONTRACTING PROCEDURE

NFPF cooperation model will be a two-step contracting procedure. At first, NFPF Agreements will be signed between the NCI Agency and NFP organizations for participation in the NFP Framework. Then, at the second step, competitions for NFPF Task Orders will be conducted amongst the NFPF Agreement holders in support of specific NCI Agency requirements.

5.2. NFPF AGREEMENTS

NFPF Agreements will have validity period of five years and will be subject to a renewed NFPF Declaration of Eligibility (NFPF DoE). The following process will be used for establishing NFPF Agreements:

- a) The national NFP organization downloads the NFPF InfoPack⁸ from the NCI Agency website;
- b) The national NFP organization submits the NFP application to the NCI Agency – (1) filled-in NFPF Agreement template and (2) NFP's expertise and skillset areas adopted from SFIA;
- c) NCI Agency requests the NFPF DoE via the respective national delegation to NATO;
- d) NCI Agency receives NFPF DoE via the respective national delegation to NATO;
- e) NCI Agency negotiates/establishes the NFPF Agreement with the national NFP organization.

5.3. NFP TASK ORDERS

The following process will be used for sourcing NFP support and awarding Task Orders against the NFPF Agreements:

- a) The Agency will publish opportunities on the Agency website.
- b) The timeline for submission of proposals will be usually within four weeks, although it can be longer depending on the complexity of the requirements. The Agency bidding documents may include terms and conditions to supplement the basic terms of the NFPF Agreements and reflect particular circumstances for the execution of the individual Task Order being competed (security, intellectual property, participation by NFPs consortia etc.).
- c) Only those NFP organizations having concluded a NFPF Agreement will be eligible to submit proposals.
- d) As a general rule, the Task Order will be awarded to the lowest compliant bidder.
- e) The financial terms of the Task Orders will be defined according to the most appropriate compensation arrangement considering the circumstances of each case. This may include any (or a combination) of the following pricing arrangements: firm-fixed price, time and material or labour-hour arrangements. Off-site and on-site execution will be possible, depending on the nature of work and with due consideration to the applicable security classification.

⁸ The NFPF InfoPack will include: NFPF General Rules of Operation, template NFPF Agreement and listing of pre-defined expertise and skillset areas as adopted from Skills Framework for the Information Age (SFIA)



5.4. PROCUREMENT RULES

Procurement will follow the agreed rules set forth in the NFRs⁹ and the NCIO Financial Rules and Procedures (FRPs), in particular with respect to the Established Financial Limits of Discretionary Power (EFL)¹⁰ and General Procurement Policy. Procurement shall be governed by the following minimum competition requirements¹¹:

- a) Goods and services estimated to cost less than the equivalent of Level B of the EFL (€20,000) may be procured from known suppliers without competitive bidding;
- b) Goods and services of which the cost is estimated to exceed the equivalent of Level B of the EFL (€20,000) but below twice Level B of the EFL (€40,000) shall be procured through soliciting offers from at least three suppliers known to meet the technical and commercial standards;
- c) Goods and services with an estimated cost exceeding twice Level B of the EFL (€40,000) but below Level D of the EFL (€160,000) shall be procured through soliciting offers from at least five suppliers known to meet the technical and commercial standards.
- d) Formal procurement, consisting of full and open competition within the NFP enrolments, for all procurement actions exceeding Level D of the EFL (€160,000).

6. SECURITY

- 6.1. It is not necessary that the NFP organization applying for participation to NFPF is security-cleared in order to sign NFPF Agreement. If a NFPF Task Order requires security clearances this will be mentioned in the special terms and conditions for the Task Order in question (see paragraph 5.3).
- 6.2. NFPs will comply with all security measures prescribed by the respective national security authority and by NATO, referenced in the NFPF Task Order. They will be responsible for the safeguarding of classified information, documentation, material and equipment entrusted to them or generated by them in connection with the NFPF Task Order in accordance with the NATO security regulations.

7. INVOLVEMENT OF THE NCIO ASB

- 7.1. Further to approval of the NFPF General Rules of Operation, the Agency Supervisory Board will be invited to approve any revision of the NFPF General Rules of Operation.
- 7.2. The Agency will report each year to the ASB on the number of NFPF Agreements signed, and on the value and NFPs benefiting from the issued NFPF Task Orders.

⁹ C-M(2015)0025, NATO Financial Regulations

¹⁰ The amounts listed are presented for illustrative purposes and are derived from Council agreed Review of the NATO Financial Regulations (C-M(2015)0025), Article 12 and the NCIO Financial Rules and Procedures, Article XII sub paragraph 1

¹¹ AC/337-D(2016)0014-REV1-AS1, NCIO Financial Rules and Procedures, Article XXXII sub paragraph 7.

2 Annex B – Specimen Not-For-Profit Framework Declaration of Eligibility

To: NATO Communications and Information Agency

Subject: Expressions of Interest in Not-For-Profit Framework (NFPF)

1. With reference to the above quoted Framework, the following (nationality of origin) Not-For-Profit (NFP) organizations have expressed an interest in participating in the Not-For-Profit Framework:
 - a. 'A' NFP organization
Address
Contact: Mr/Ms A.N. Other
Telephone:
Email:
 - b. 'B' NFP organization
2. I certify that these organizations have expertise areas aligned with the mission of the NCI Agency – delivery of C3 capabilities, provision of secure CIS services and delivery of capabilities and provision of services “other than C3/CIS” to NATO and nations.
3. I certify that these organizations are not-profit making or having a legal or statutory obligation not to distribute profits to its shareholders or individual members.
4. I certify that these NFP organizations have the necessary financial, technical and professional competence to be admitted by the Government of (country of origin) as bidders were it responsible for awarding contracts of this nature under the NFPF. All the NFP organizations listed above are security cleared at the level required for the NFPF.

(Signed) (Country of Origin)