



NATO SATCOM Post 2000 (NSP2K)

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What is NSP2K?

- **NATO's acquisition program to obtain Satellite Communications Services**
- **Replaces NATO IV, which is reaching end of life**
- **Consists of acquisition of two Services**
 - **SHF/UHF (Transponded)—15 year period of performance (1 Jan 2005 through 31 Dec 2019)**
 - **EHF (Processed)—12 year period of performance (1 Jan 2008 through 31 Dec 2019)**
- **Service to be provided by one or more Nation via access to a national MILSATCOM Program(s)**
- **Terminal acquisitions to follow**

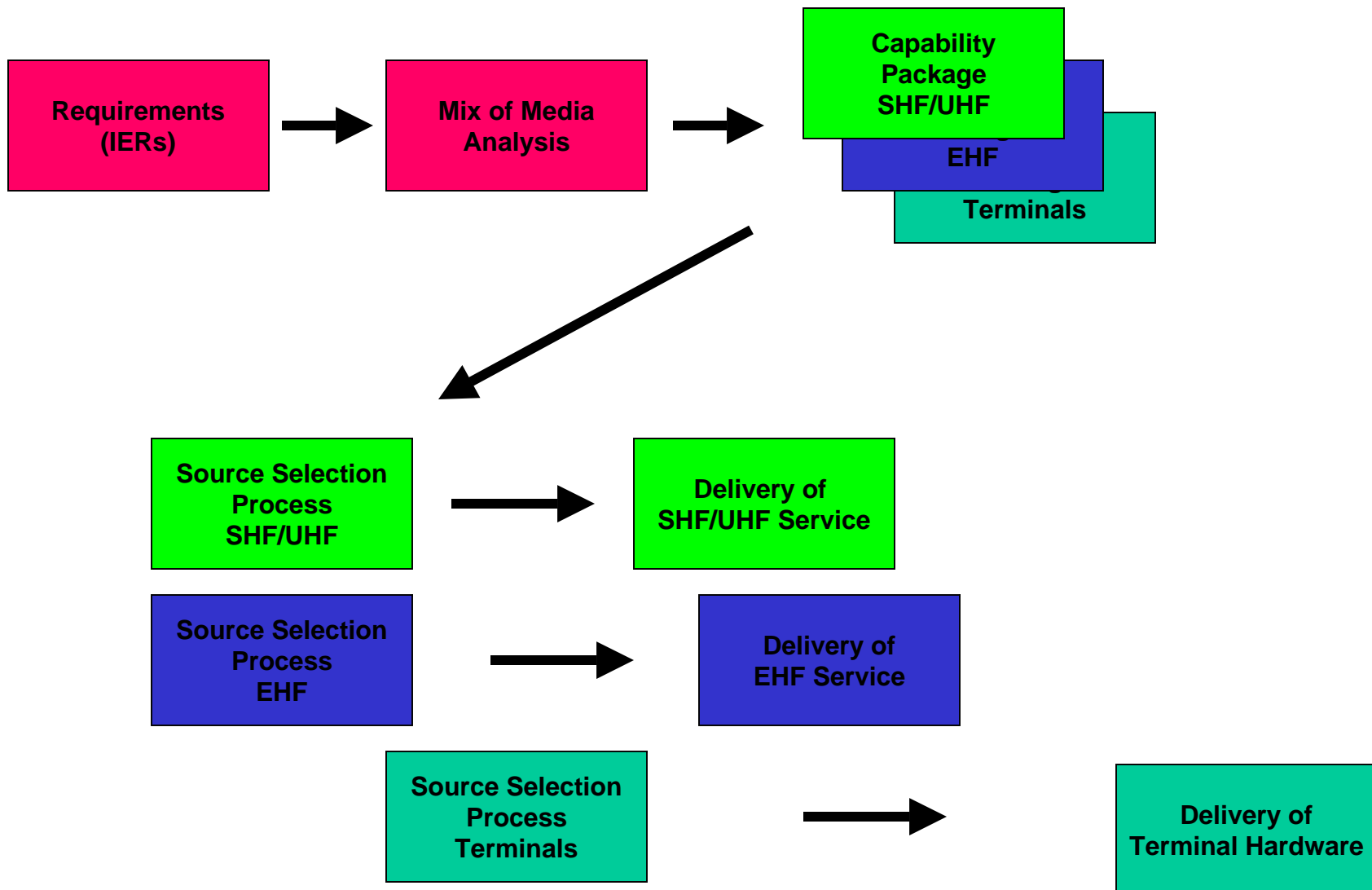


Terminology

- **North Atlantic Treaty Organization (NATO)**
- **Infrastructure Committee (IC)—Approves budget & selection decision**
- **NATO Command, Control, and Consultation Agency (NC3A)—Acts as "Host Nation" and executes competition**
- **Allied Command Operations (ACO)—Establishes operational requirements**
- **Capability Package (CP)—Describes project and justifies required funding**
- **Invitation for Bid (IFB)—Identifies acquisition requirements**
- **Initial Technical & Business Proposal (ITBP)**
- **Best and Final Offer (BAFO)**
- **"Breaking Silence"**

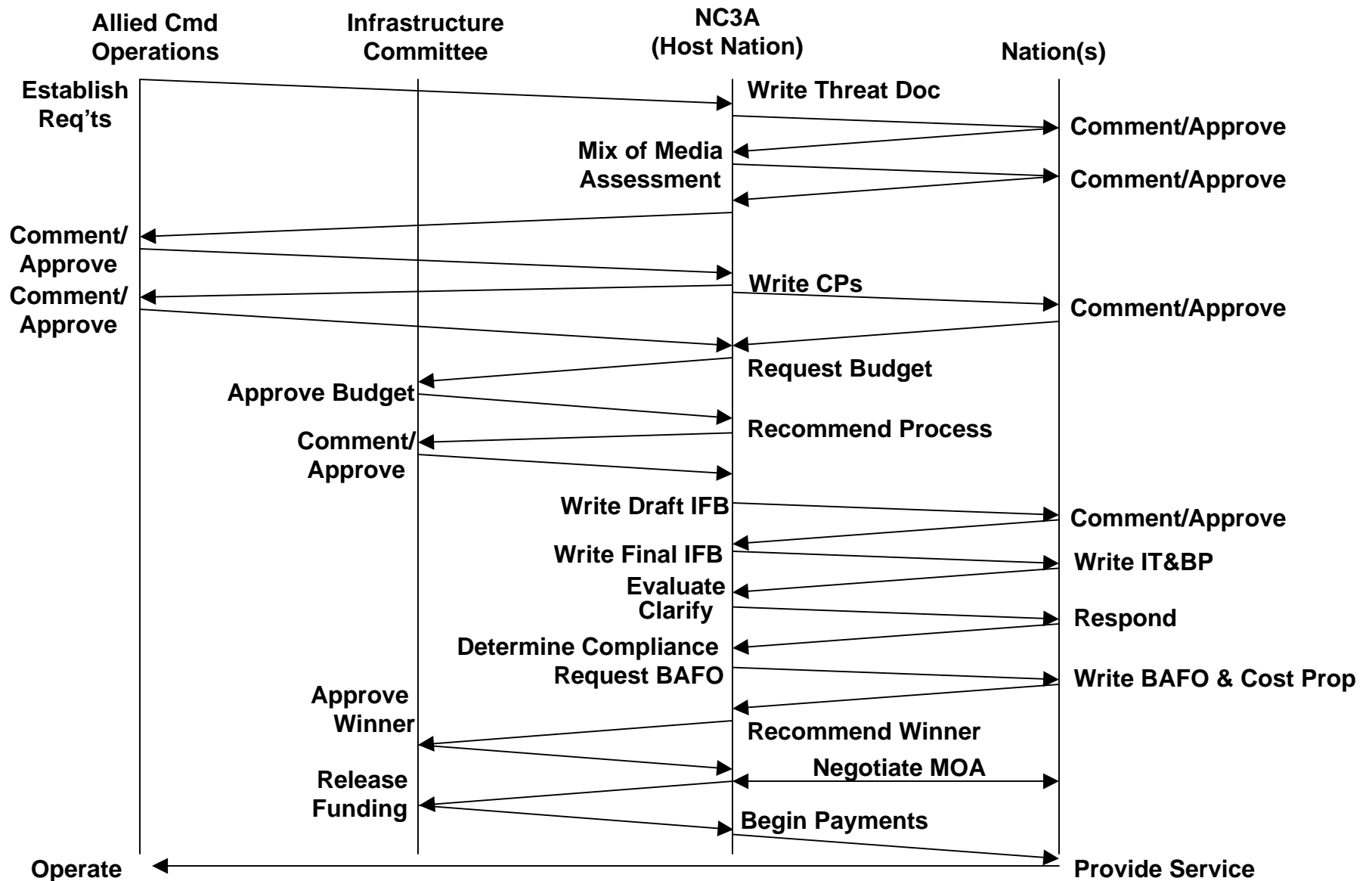


Acquisition Process





Source Selection Details





Issues--General

- **Unanimous decision process in NATO**
 - Any nation can “break silence” to nonconcur
- **U.S. government’s inexperience in preparing a bid**
 - Preparing a Bid is different than evaluating one
 - NC3A treated U.S. like government treats industry
- **Potential teaming arrangements**
 - Determining work share among nations and preparing a bid in short time frame



Issues—Bid Preparation

- **Decision based on “Least Cost, Compliant Bid”**
 - NATO doesn’t recognize best value acquisition
- **Balancing technical, business, and cost proposal while remaining compliant**
 - Determining operational impact of offered resources
 - Technical, legal, policy
 - NATO’s budget was known to all competitors
- **NATO’s acquisition process vs U.S. Foreign Military Sales**
 - Firm Fixed Price vs Cost Reimbursement (FMS Case)
 - Rights of sovereignty—U.S. law recognizes no higher authority in adjudicating disagreements



Issues—Bid Preparation (Cont'd)

- **Releasability of information & technology**
- **Aligning NATO's schedule with national programs—and vice versa**
- **Cost of money calculation**



Issues—Bid Evaluation

- **Demonstrating compliance**
 - Analysis/test vs “National Statement”
- **Risk assessment**
 - Comparing “chalk to cheese”



Lessons Learned

- **Understand whether NATO's process is compliant with national laws before agreeing to it**
- **Politics beats operational needs**
- **Ensure source selection process includes risk assessment**
- **Don't evaluate cost proposals by using cost of money calculations**
- **Make sure all parties understand the goal, strategy, and tactics of the bid to minimize the internal debate and focus on the product**



U.S. SHF/UHF Bid Participants

- Defense Information Systems Agency**
- Defense Security Cooperation Agency**
- OSD/NII**
- US Strategic Command**
- Air Force Space Command**
- Navy**
- MILSATCOM Joint Program Office**
- Air Force PEO(Space)**
- OSD(Cost Analysis Improvement Group)**
- Army Strategic Command**
- Army PEO Enterprise Information Systems**
- Joint Staff/J6S**
- U.S. Mission to NATO**
- U.S. Military Delegation to NATO**



What happened?

- **SHF/UHF**
 - Three original bids: U.S., FR/UK, and FR/UK/IT
 - FR/UK bid was pulled during clarification phase
 - Both U.S. and FR/UK/IT bids declared technically compliant
 - FR/UK/IT won based on least cost over program's 15 year life
 - NATO has yet to be provided the promised Service
- **EHF(Processed)**
 - Postponed: No national program's schedule matches NATO's acquisition timeline
 - NC3A plans to resume competition in about one year

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