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

1. Requirements (IERs)
2. Mix of Media Analysis
3. Source Selection Process SHF/UHF
4. Source Selection Process EHF
5. Source Selection Process Terminals
6. Capability Package SHF/UHF
7. EHF
8. Terminals
9. Delivery of SHF/UHF Service
10. Delivery of EHF Service
11. Delivery of Terminal Hardware
Source Selection Details

**Allied Cmd Operations**
- Establish Req’ts
- Comment/Approve
- Comment/Approve

**Infrastructure Committee**
- Mix of Media Assessment
- Write Threat Doc
- Request Budget
- Recommend Process
- Write Draft IFB
- Write Final IFB
- Evaluate
- Clarify
- Determine Compliance
- Request BAFO
- Recommend Winner
- Negotiate MOA
- Begin Payments

**NC3A (Host Nation)**
- Write CPs
- Write IT&BP
- Respond
- Write BAFO & Cost Prop
- Recommend Winner
- Negotiate MOA
- Begin Payments

**Nation(s)**
- Comment/Approve
- Comment/Approve
- Comment/Approve
- Comment/Approve

**Operate**
- Provide Service
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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