

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

N A T O U N C L A S S I F I E D

ORIGINAL: ENGLISH
11th October, 1984

ADDENDUM to
DOCUMENT
AC/4-D/2834

INFRASTRUCTURE COMMITTEE

COORDINATION OF THE ICB PROCEDURE AND THE AUTOMATIC DELETION
PROCEDURE WITH REGARD TO THE REPORTS ON RESULT OF ICB AND
CONTRACT AWARD DATE

Report by the International Staff

- References:
- (a) AC/4-D/2261(Final)
 - (b) AC/4-D/2030(Final)
 - (c) AC/4(PP)R/348, paragraph 54
 - (d) AC/4(PP)N/2204; R/772, VIII.1(b)
 - (e) AC/4(PP)N/3466; R/996, V.2
 - (f) AC/4(PP)N/3367 and Add; R/983, VIII.1
 - (g) AC/4(PP)R/996, V.2
 - (h) AC/4-R/1284, IV

Document AC/4-D/2834 which recommends an amalgamation of the reports on the results of ICB and ADP contract signature was approved by the Committee, subject to confirmation by Germany, by reference (h) above.

2. In the note at Annex Germany proposes a number of amendments to the questionnaire proposed by the Staff at Annex to AC/4-D/2834.

3. The Staff supports the additional questions proposed by Germany for the following reasons:

Question 8: Germany proposes to add as 8 (c) a request for an extension of the contract award date for the remaining works.

Fully supported as it would eliminate a separate request.

Question 9: Germany proposes that the expenditure profile of the project be given.

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This proposal is in line with the procedure laid down in AC/4-D/2852 and would be an update of the expenditure profile to be given at the authorisation stage.

Questions 13
and 14:

Germany proposes that also in cases where the project had been exempted from ICB the name of the contractor and his sub-contractors be given.

The Staff concurs with this proposal. The present system of publishing only the results of ICB gives an incomplete picture of the flow of NATO infrastructure funds. It is generally assumed that projects exempted from ICB are contracted to firms of the host nation. Experience has, however, shown that a considerable part of those works are given to foreign contractors e.g. for reasons of sole source procurement. The information requested by Germany, if provided, would reflect this as well as the value of works carried out by host nation contractors. If so requested by the Committee, the Staff could issue the yearly ICB report in two parts, one covering the result of ICB, the other the contracts for works exempted from ICB.

The German proposal thereby also takes account of the amendment made at meeting 1284 (i.e. that in case of sole source procurement the name and nationality of the contractor should be given).

3. With regard to question 6 - date of contract signature - the Staff suggest to list it as 6(a) and to insert as question 6(b): - "Contractual completion date". If agreed, this information could serve as basis for warning list for the submission of requests for JFAIs (AC/4-WP/674), thus replacing the reporting system proposed therein

4. The Committee is invited:

(a) to consider and approve the amendments proposed by Germany;

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- (b) to consider the Staff's proposal in paragraph 3 and, if accepted, to instruct the Staff to incorporate it in AC/4-WP/674;
- (c) to agree that the questionnaire approved, subject to confirmation, be superseded by the one at Appendix to Annex to this Addendum and to invite Germany to give her confirmation.

(Signed) W. APEL

NATO,
1110 Brussels.

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COORDINATION OF THE ICB PROCEDURE AND THE
AUTOMATIC DELETION PROCEDURE

Note by the German Delegation

17th August, 1984
V-68-05-11-01/3

References: (a) AC/4-D/2834
(b) AC/4-R/1284
(c) AC/4-D/2852

In reference (a) it had been suggested to coordinate the reports on the results of competitive bidding with the reports on contract awards/ADP. Subject to German confirmation, the procedure was adopted in reference (b).

The intended coordination of reports already provides a certain improvement. In addition, the Federal Republic of Germany suggests to include the following information in the Annex to AC/4-D/2834:

1. Paragraph 8(b) calls for information if a contract has been awarded for only part of the authorised project. Of necessity, an extension for the remainder of the project has to be requested under the ADP if a contract can no longer be awarded for the remainder in time.

Since this can already be anticipated when the contract for part of the project is awarded, it is proposed to include the possibility for the request for extension in the same questionnaire in order to avoid a separate request.

Proposal for the inclusion of a paragraph 8(c):

"In case of paragraph 8(b) applying: "For the remainder of the project extension under the ADP is being requested until".

To identify cases 8(a) to (c), as required, circles should be placed ahead of subparagraphs (a) to (c) which can then be marked with a cross.

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- 2. By approval of reference (c), the Infrastructure Committee has adopted, in principle, a procedure of "Monitoring and Controlling NATO Infrastructure Cash Flow".

In paragraph 4(a) this procedure calls for expenditure profiles to be submitted along with the fund requests and to update these profiles whenever significant contracts are let

The information concerning the award of a contract to be included in the questionnaire provides an opportunity of reviewing and completing the expenditure profiles.

A new paragraph 9 is therefore proposed:

"The expenditure profiles for the years of construction is as follows:....."

The heading of the Annex to AC/4-D/2834 is to be completed by "expenditure profile" and document "AC/4-D/2852" accordingly.

- 3. Up to now, information about the contractor is only required if ICB has been carried out. In order to obtain a comprehensive survey of the actual awards of contracts, it will be necessary to know the contractor and his nationality also in the event of contract awards without ICB.

The Annex to AC/4-D/2824 should therefore be completed by paragraphs 13 and 14:

- 13. In case no ICB took place for the project:

Name of the contractor	Nationality
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- 14. If applicable, major sub-contractors of the contractor:

Name	Nationality	Value of subcontract
		IAU National currency

4. Moreover, it would be helpful if the "Date of Contract Signature" in paragraph 6 could be defined as "Start of Construction", in brackets.
5. The proposed version of the questionnaire is attached at annex.

(Signed) K. SUDERGATH
Head, Defence Finance and
Infrastructure Section

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9. The expenditure profile for the years of construction is as follows:

<u>Year</u>	<u>Estimated Expenditure</u>	
	<u>IAU</u>	<u>National currency</u>

10. In case that the project has been open to ICB:

<u>Compliant bidders</u> <u>(Name of firm)</u>	<u>Nationality</u> <u>of bidder</u>	<u>Bid price</u> <u>IAU - Nat. Currency</u>
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- 1.
- 2.
- 3.

11. Contract awarded to bidder No.

12. Major sub-contractors of the bidder selected, if applicable:

<u>Name</u>	<u>Nationality</u>	<u>Value of sub-contract</u>	
		<u>IAU</u>	<u>Nat. Currency</u>

13. In case no ICB took place for the project:

<u>Name of contractor</u>	<u>Nationality</u>
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14. If applicable, major sub-contractors of the contractor:

<u>Name</u>	<u>Nationality</u>	<u>Value of sub-contract</u>	
		<u>IAU</u>	<u>Nat. Currency</u>