NATO Support & Procurement Agency (NSPA)

“Build Competence – Win Confidence. How the can the NSPA become the Supplier of Choice for Logistics Support”

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Building Competency

Competency Clusters

- Vision building
- Service impact centricity
- Social entrepreneurship
- Nurturing innovation

- Progressive organizational awareness
- Talent development
- Resources savvy
- Social capital oriented
- Organizational learning oriented

Service/Business development

- Value and vision driven
- Systemic, critical and strategic thinking

Stakeholder engagement and collaboration

- Multi-stakeholder savvy
- Strategic networking
- Cross-boundary leadership

Operation savvy

NSPA
Win Confidence

How ...

- “Win/Win”
- Transparency
- Listen & understand
- Respectful
- Don’t make promises you can’t keep

DRIVES AGENCY SUCCESS
What is a NATO Agency?

NATO Agencies are an essential part of NATO and constitute a vital mechanism for procuring and sustaining capabilities collectively.

They are executive bodies of their respective NATO procurement, logistics or service organizations, and operate under North Atlantic Council-approved charters.

The NATO Agencies are established to meet collective requirements of some or all Allies in the field of procurement, logistics and other forms of services, support or cooperation.
The mission of the NATO Support and Procurement Organisation is to provide responsive, effective and cost-efficient acquisition, including armaments procurement; logistics; operational and systems support and services to the Allies, NATO Military Authorities and partner nations, individually and collectively, in time of peace, crisis and war, in order to maximize the ability and flexibility of their armed forces, contingents, and other relevant organisations, within the guidance provided by the NAC, to execute their core missions.

(Directly taken from the Agency Charter so no changes possible at this stage)
Act as NATO’s premier life cycle management (including acquisition) and services provider, effectively and efficiently delivering a broad spectrum of integrated capabilities for NATO, its Nations and Partners including support to operations and exercises.
Values express NSPA’s ambition and how it aims to perform as a world-class organisation:
Main drivers of the NSPA Strategic Direction (2016–2020)

- Warsaw Summit
- Geopolitical Situation
- Expanding Agency Roles
- Regular Strategy Update
- General Manager Priorities
• Support to Operations
• Life-Cycle Management
• Logistics Support Services
Strategic Intent

- **Support to Operations and Exercises** - focus on Deterrence and Defence, and Projecting Stability
- **Life Cycle Management** - fully develop the Acquisition capability
- **Services** - develop support services provided through Agency information technology
- **Corporate** - develop further continuous improvement and enhance approach to Customer Satisfaction; seek cost-effective improvements to internal support functions
NSPA Organizational Design

NATO NORTH ATLANTIC COUNCIL (NAC)

NSPO AGENCY SUPERVISORY BOARD

NSPA GENERAL MANAGER

BUSINESS UNITS

CENTRAL EUROPE PIPELINE SYSTEM (CEPS)

NATO AIRLIFT MANAGEMENT (NAM)

LOGISTICS OPERATIONS

SUPPORT FUNCTIONS

PROCUREMENT

FINANCE

HUMAN RESOURCES

INFORMATION TECHNOLOGY

1281 NATO International Civilians
(Approved positions)
NSPA Facts and Figures

- Customers: 76
- Turnover: €35,000
- Partnership: 3.4
- Exercises: 1281
- Operations: 10,000

60 Years Anniversary
NSPA Team Demography

Population Stratification by Country - January 2017

Total of Staff: 1049

- United States: 47
- Belgium: 154
- United Kingdom: 74
- Turkey: 40
- Spain: 33
- Slovenia: 2
- Romania: 10
- Portugal: 28
- Poland: 17
- Norway: 4
- Netherlands: 25
- Luxembourg: 97
- Lithuania: 3
- Italy: 78
- Iceland: 1
- Hungary: 45
- Greece: 35
- Germany: 87
- Bulgaria: 4
- Canada: 37
- Croatia: 1
- Czech Republic: 7
- Denmark: 7
- Estonia: 1
- Albania: 5

Legend:
- Albania
- Belgium
- Bulgaria
- Canada
- Croatia
- Czech Republic
- Denmark
- Estonia
- France
- Germany
- Greece
- Hungary
- Iceland
- Italy
- Lithuania
- Luxembourg
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Slovenia
- Spain
- Turkey
- United Kingdom
- United States
NSPA Geographical Locations

NSPA: HQ & Logistics Operations (~1000) Capellen, LUX

Central Europe Pipeline System (35) Versailles, FRA

NATO Airlift Management Programme (50) Pápa, HUN

Southern Operational Centre (50) Taranto, ITA

NSPA Embedded Staff
• NATO HQ
• SHAPE, JFCs
• AFGHANISTAN
• SICILY - AGS

Country Liaison Officers
• 20
NSPA Business Trend

Source: Commitments Frozen EOY 2004-2015
Planned AFP 2016

Log Ops – 2014 drop related to ISAF drawdown
NAM – peaks reflect multi-year commitments related to sustainment/training through FMS
NSPA Funding Sources 2016

3.44 BEUR

92%
National and Multinational Projects

8%
NATO Security Investment Plan (NSIP) & Military Budget Funded Projects

“No profit - No loss”
Central Europe Pipeline System (CEPS)

Management of a NATO pipeline system:

- largest pipeline system in NATO (9 in NPS)
- integrated, cross-border pipeline and storage system
- jet fuel (70%), diesel/gasoline (20%) and other products
- military / commercial business model
- non-military co-use with Military Priority Clause
NATO Airlift Management (NAM)

Support to Strategic Airlift Capability (SAC)

- multi-national owned capability established in 2008
- NAM in direct support to Heavy Airlift wing (HAW)
- three C-17s Boeing Globemaster aircraft

12 SAC Nations - use of hours

- for national, NATO, EU & UN missions
- pre-agreed allocation of annual flight hours
- available for 3rd party use via SAC Nation sponsorship

NATO UNCLASSIFIED RELEASABLE TO PfP NATIONS

LB General and Cooperative Services Programme
Logistics Operations (Log Ops)

- Systems Procurement & Life Cycle Management
- Support to Operations & Exercises
- Services & Supply
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**GENERAL & COOPERATIVE SERVICES PROGRAMME OFFICE (LB)**
To **provide** timely, cost-effective and high quality “general and cooperative” logistics support services to the Nations (NATO & Partners) and to NATO/SHAPE

To **manage**

- **Customer funded Support Partnerships**
  Ammunition; COMMIT; Demilitarization, Dismantling and Disposal (D3); Naval Logistics Support

- **Individual requirements to NATO and Partner Nations**
  Random Brokerage Services

- **General Procurement Shared Services (GPSS)**

To **act** as Executing Agent (EA) to assist the Partner Nations

- **NATO PfP Trust Fund Projects**

To **support** NATO AC/135 Committee

- **NATO Codification System and NMCRL**
LB Current Organization

Programme Support Office (LB-S)
Steve Brown

GPSS e-Business (LB-G)
Marc Willem

Programme Manager (LB)
John Bosmans

Material Management Center (LB-M)
Jürgen Gross

Back Office SAP and NLSE
- Logistics
- Procurement
- Finance

Support Partnership (LB-C)
Scott Willason
Ammunition SP (ASP)
Demil, Dismantling & Disposal (D3 SP)
Naval Logistics SP (NLSP)

Project Support (LB-P)
René Roy
Random Brokerage (RBS) “Projects”
NATO, PfP Trust Fund & SPS Projects
Combat Service Support

Logistics Services (LB-L)
Douglas Plymale
COMMIT SP (NLSE)
Random Brokerage (RBS) “Supply”
NATO Codification Support (AC/135)
2016 Operational Budget by Business Area

Forecast: 613 MEUR  
Actual: 656 MEUR

- Ammunition, 49.82%
- Random Brokerage Supply, 11.02%
- Random Brokerage Projects, 6.01%
- Naval Logistics Support, 10.14%
- D3, 0.15%
- NATO Logistics Stock Exchange, 21.54%
- NATO Trust Funds, 1.33%

€ 20M tasking to be contracted in 2017
2016 Operational Budget by Nation

Forecast: 613 MEUR
Actual: 656 MEUR

- TUR, 12.96%
- FRA, 21.95%
- USA, 14.33%
- DEU, 11.13%
- GBR, 11.59%
- ITA, 11.89%
- Other Nations, 16.16%

NATO UNCLASSIFIED RELEASABLE TO PfP NATIONS
Material Management Centre

Mission

• Functional support to branches …
• … in processing and consolidating requirements.

Services

• Process integrator between customer requirement and contractual realization
• Coordination of back-shop functions using cross functional expert teams

Capabilities

• Development of Logistics, financial and procurement strategies
Ammunition Support Partnership (ASP)

Mission
• Ammunition Procurement, Demilitarization, Services
• eNADB

Customer Group
• Support Partnership established in 1993
• Next ASPC meeting: Ankara, June 2017

Governing Documents
• Programme Directive 309 / Agreement 165

Nations
• Members: Albania, Belgium, Bulgaria, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Turkey, United Kingdom, United States
• Associates: Finland, Sweden
- **Hungary** joined ASPC as of 01 January 2016
- Conclusion of **Precision Guided Munitions (PGM) FMS case** on 15 December 2016
- Total **2016 Ammo turnover = 326 MEUR**
- As of 2016, all staff are **PRINCE2 qualified**
- **Centralized customer entry** via “ammo@” and Infohub
ASP Opportunities in 2017

• **Continued expansion** of ammunition supply business
• **Expansion of membership and scope of** Technical Project Groups
• Next WSPC in Turkey will **showcase 3 x NSPA TUR Projects**
Naval Logistics Support Partnership (NLSP)

Mission
• Service and Fuel contracts in 120 Countries with 600+ ports
  Husbandry, food, fuel, oils & lubricants and other port services
• Naval projects and in-service (supply and services)

Customer Group
• Support Conference 2001 - Support Partnership 2010

Governing Documents
• Programme Directive 3816 / Agreement 1816

Nations
• Members: Bulgaria, Belgium, Denmark, Estonia, Finland, Germany, Greece, Italy, Latvia, Netherlands, Norway, Poland, Portugal, Spain, Turkey, United Kingdom
• Trial: Croatia, Romania, Slovenia, Sweden, Ukraine
**NLSP Achievements**

- **Global reach** in Naval Support Port Services
- **Unprecedented contract prices** in ten global regions
- **Superior communication** continues to bring value to supported customer base.
NLSP Opportunities 2017

- **Process enhancements** (lean) and increased automation.
- **Expand and diversify** in NLSP supply and services *(e.g. under water systems)*
Mission

- Demilitarization, Dismantling and Disposal (D3) of excess military equipment and systems through Reuse, Resale, Recycle (R3), transfer, donation, sale or destruction
- D3 is also a NATO SMART Defense project with NSPA Lead

Customer Group

- D3 Support Partnership established 01 Jan 2013
- Next D3 SPC meeting: Lisbon, May 2017

Governance Documents

- Programme Directive 3802 / Agreement 1802

Nations

- **Members:** Denmark, Italy, Turkey, Portugal,
- **Associate States:** Ukraine
D3SP Achievements

- **Business volume increase** (20 MEUR)
- **Support to NATO Command Structure (NCS)** (JFC Brunssum)
- **Green Day** on Recycling & Disposal Activities
- **Increased interest** from new nations (PRT, UKR, FRA, FIN, SWE, NOR) & NATO entities
D3SP Opportunities 2017

- Ship Recycling Project to start with Denmark
  (3 Patrol Vessels of the FLYVEFISKEN Class)

- Formal joining of D3SP by 2 new nations (PRT & UKR)

- Manage 1st Project for France as D3 trial nation
Random Brokerage Services (RBS)

Project
• Established in 1963
• Broken down into 2 categories:
  • “Supply and Services” (Non-recurrent)
  • “Projects” (Sales Agreement)

Customer Group
• Users’ Conference – reporting to ASB

Governing Documents
• Programme Directive 373

Nations
• All Armed Forces (NATO and eligible Partner Nations)
RBS – Supply and Projects

- Mobility & Material Handling Eqt
- Medical
  - Projects
  - Supplies
  - Pharmaceutical
- Environmental Protection
  - Energy Efficiency
- Chemical Bacteriological
  - Radioactive Nuclear
RBS – Supply and Projects

Dismounted Soldier Equipment (DSE)

- Command and Control
- Lethality
- Sustainment
- Survivability
- Mobility

DSE Sustainment
Clothing & Boots

DSE C4I

DSE Mobility

DSE Survivability

DSE Lethality
RBS – Projects Achievements

- Land and Sea Remediation ITA
- Large Mobile Tent Structure ITA
- Integrated Pilot Training System ITA
- Arty and Mor Fire Control Simulators PRT
- Refugee Village LUX
RBS – Projects Achievements

- KFOR Role 1 Medical Centre
- MRU (Mobile Radiological Units)
- ANA Clothing and Individual Equipment
3 SAs with POL (6.8 MEUR operational cost)

- Precision Aerial Delivery (PAD) system
- Special Combat Crafts
- Very Small Aperture Terminal (VSAT) satellite communication system
NATO PfP Trust Fund Projects

Policy

• NATO PfP Trust Fund Policy established in 2000 to assist Partner nations meet Ottawa Convention obligations
• Policy since expanded to include disposal of conventional ammunition, small arms, defense reform, training, building integrity
• NSPA is the Executing Agent

Achievements

• 15,700,000 Cluster sub munitions
• 4,500,000 Anti-Personnel Landmines
• 37,500 tonnes of various Ammunition
• 80,000 Surface-to-Air Missiles & Rockets
• 2,620 Hectares cleared
A Humanitarian Success Story

Vadim Sviridenko
Gets his life back
Other PfP Successes

- **Counter IED Training and Equipment**
  - Iraq/Jordan
  - Ukraine

- **Radioactive Waste Management**
  - Ukraine

- **Ammunition demilitarization**
  - Serbia

- **Ammunition Depot Clearance**
  - Georgia

- **MANPADS Destruction**
  - Mauritania
Achievements
• Support to Health System Reform in Ukraine
• Contract for delivery of C-IED training and equipment in 30 days in Jordan for Iraq Armed Forces
• Implementation in Serbia and Montenegro after 3 years negotiations

Opportunities
• Increased interest for UKR
• NATO leadership attention
Project
- **Redistribution** - COMMIT User Groups
- **Supply** - eCat1 contracts (600 contracts available)
  Recurring and/or Common Equipment and Spare Parts

Customer Group
- COMMIT Support Partnership established 01 Jan 1999

Governance Documents
- Programme Directive 3809 / Agreement 1809

Nations
- **Members**: Belgium, Canada, Denmark, France, Germany, Greece, Hungary, Italy, Lithuania, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Turkey, United Kingdom
- **Associates**: Austria, Finland, Sweden, Ukraine
Achievements

• Customers acknowledgement of challenges faced in supporting their requirements in accordance with NSPA rules and procedures
• 142 MEUR business turnover in challenging environment
• 11,000 business transactions – second highest
• Ukraine, Hungary and Slovakia joined, US DLA process ongoing

Opportunities

• Maintaining customer satisfaction through the many changes that were are now facing in this business area
• NLSE process review for completion by end July 2017
• Expansion of customer base (USA, LVA)
UK Achievements & Benefits

• Purchases £125M
• Sales £13M
• ‘Hard’ Savings in excess of £38M (23%)*
• ‘Soft’ Savings in shorter lead times, reduced workload, greater visibility, increased co-operation.

*Savings figure is considered very conservative as it is not possible to reliably calculate savings for items for which the NLSE has been preferred procurement route for multiple years and, as such, 10% of all UK orders have no associated savings figure.
Mission

• Provide general supply and services to NATO Entities

Customer Group

• Senior Customer Board (SCB) activated end 2015

Governing Documents

• NAC Mandate January 2015 and pre-funding agreed in June 2015
• GPSS Customer Agreement / Programme Directive (under ASB approval)

NATO entities (not Nations)

• Founding Members: NCIA, NATO HQ, NATO HQ IMS, NSPA
• Phase 2: Expand to all NATO agencies/entities 2017
• Phase 3: Expand to NATO Commands 2018
• GPSS contracts are accessible in the NLSE and open to the CPC Nations
General Procurement Shared Services (GPSS)

NATO Agencies
Easy Web Based access to the many products & services

NSPA
NATO eShopping Center
for Commodity Goods & Services

Suppliers
Simplified access web based or interconnect chain with eCatalog and order exchanges

- Office Supplies
- Furniture
- Training
- Travel
- Other Categories

NATO Agencies
NSPA
Suppliers
NATO eShopping Center

NATO Entities / Nations
Office Supplies
Furniture
Training
Travel
Other Categories
### GPSS Project Scope

#### What is currently available?
- Office furniture
- Office supplies
- ICT standard supplies
- ICT standard commodities
- Training
- Travel services
- (Heating) fuel

#### What is being worked on?
- Parcel / courier services (with LS)
- Removal services (with HR)
- Manpower agency services (with HR)
- Standard vehicles and fleet management (with AA)
- Training (additional – with AP)
GPSS Achievements

- **April 2016** Opening of the NATO eShopping Center and specialized shop
- **Initial contracts** loaded into the (NLSE) eCatalogue *(30,000 Line items)*
- **Implemented** and **used** by NSPA entities (Pilot)

![VTC Meeting with NAM PO management team/users](image_url)

![eCatalogue concept created by GPSS in NLSE](image_url)
NATO Codification System/NMCRL

- **NATO Master Catalogue of References for Logistics**
- Web product containing data on:
  - 18.3 million NATO Stock Numbers (NSNs)
  - 2.8 million suppliers
- NMCRL is the main tool to search for NSNs and Part Numbers
- Allows suppliers to find out what their competitors are selling and what the nations are buying
- To subscribe and for more information go to: [www.nato.int/nmcrl](http://www.nato.int/nmcrl)
How to do business with the NSPA?
Logistic Operations  Procurement

CUSTOMERS REQUIREMENTS INDDUSTRY CAPABILITIES

Quicker and cheaper solutions to Nations
NSPA Procurement Policy

OBJECTIVES

- Time
- Scope
- Quality
- Cost

- Lowest Technically Compliant
- Best Values

PRINCIPLES

- CONSOLIDATION
- INDUSTRIAL BENIFITS
- COMPETITION
  (ICB by default)
Two principle forms of contracting

- **Supply** Contracts: spare parts, major systems acquisitions
- **Service** Contracts: engineering, demilitarization, etc

**International Competitive Bidding (ICB)**

- **Normal** procedure
- Firms MUST be registered in the NSPA supplier data base (SOURCE FILE)

**Single Source (conditions)**

- Urgency
- Low Value
- Security
- Commonality of Equipment
NSPA Procurement Policy

NSPA Nations

NSPA NATIONS - NATO

Partner Nations

Partner nations under certain circumstances (e.g. PfP Trust Funds, associate state to a Support Partnership, Troop Contributing Nation to an operation)

Competition

Competitive restricted by some Support Partnerships (e.g. PATRIOT, Ammunitions Support Partnership)

Technical Data

Unavailability of Technical Data
1. Proposals received
   - Kept in safe until after closing date
   - Late proposals not taken into consideration

2. Selection of the best proposal
   - Team of procurement and programme personnel

3. Award of Contract
   - Lowest fully responsive offer (technical compliance + lowest offer)

4. Pre contract award claim and dispute procedure

5. Unsuccessful bidders informed

Article 11 of NSPO Procurement Regulations
NSPA in 2016

- 34,915 contractual instruments
- Workforce 151 people work directly in Procurement
- Financial Level of Commitments: €2.933 bn
- Relations with industry: over 10,000 firms throughout NATO
- Procurement Administrative Lead Time for Supplies: 45 days
Two main functions:

- **Procurement @ NSPA ⇒ Serves as info hub**
  - General Rules and Provisions, Forms, Competition Advocacy, Contracts Awarded, Bid Openings, External links (NATO online library, information on exports)

- **Business @ NSPA ⇒ Single point of entry to e-Procurement apps**
  - To facilitate communications and integration of business processes with vendors/suppliers
  - How to do business with NSPA, Supplier registration, Future Business Opportunities, Requests for Proposal,
  - eCat1 Direct online Ordering
e-Procurement functionalities:

- **e-Transfer** of Request for Proposal (RFP) documents to the web
- **e-Registration** to procurement application
- **e-Download** RFP documents
- **e-Upload** bids from bidders
- **e-Storage** of bids in a “virtual safe” until the Bid Closing Date
- **e-Transmittal** of bids from Registry to the Evaluation Team
Contacts

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