NLSE
Digest for contractors

Version 7

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NATO UNCLASSIFIED

1.   PURPOSE

1.1   To briefly describe how contractors holding a COMMIT contract should report material availability and status subsequent to delivery.

1.2   To briefly describe how financial accounting and payment for wholesale level support deliveries is done.

2.   INTRODUCTION

2.1   Contracts are put in place with suppliers to give NLSE customers (NSPO Member States or Associate States) the possibility to order materiel directly. Such direct ordering is NOT considered any different than if NSPA personnel were to place the orders.

2.2   The quantities as defined in the contracts are estimated quantities which normally should cover the requirements for the given contracted time period.

3.   GENERAL

Each Contractor holding a COMMIT contract will have an account created at the NATO Logistics Stock Exchange (NLSE). The NLSE is located on the web at https://eportal.nspa.nato.int and be accessed using Microsoft Internet Explorer 6.0 or greater. The site can be accessed 24 hours a day / seven days a week to :

➢ to receive orders from the Armed Forces;
➢ to report on delivery;
➢ to receive and respond on discrepancies;
➢ to recognize finance transactions.

All procedures and system operating guidelines are electronically available in the system.

4.   OPERATIONS

4.1   *How NSPA reports materiel on contract:*
After authentication into NLSE, the Supplier can check the contracts and contract line items available in the system. Each line will designate the NSN, unit of issue, estimated annual quantity, unit price, currency.

     4.2   *How to process materiel orders:*

Armed Forces participating in COMMIT order the material electronically directly from the Contractor. The Contractor will deliver the ordered materiel as FCA, Contractor's facilities (Incoterms 2010) and/or DAP, NSPA/Country Liaison Officer Bay (Incoterms 2010) and/or EXW (Incoterms 2010).

An "End-User Certificate" can be provided upon written request to the Contracting Officer.

The ordering party will receive the materiel and provide status on:
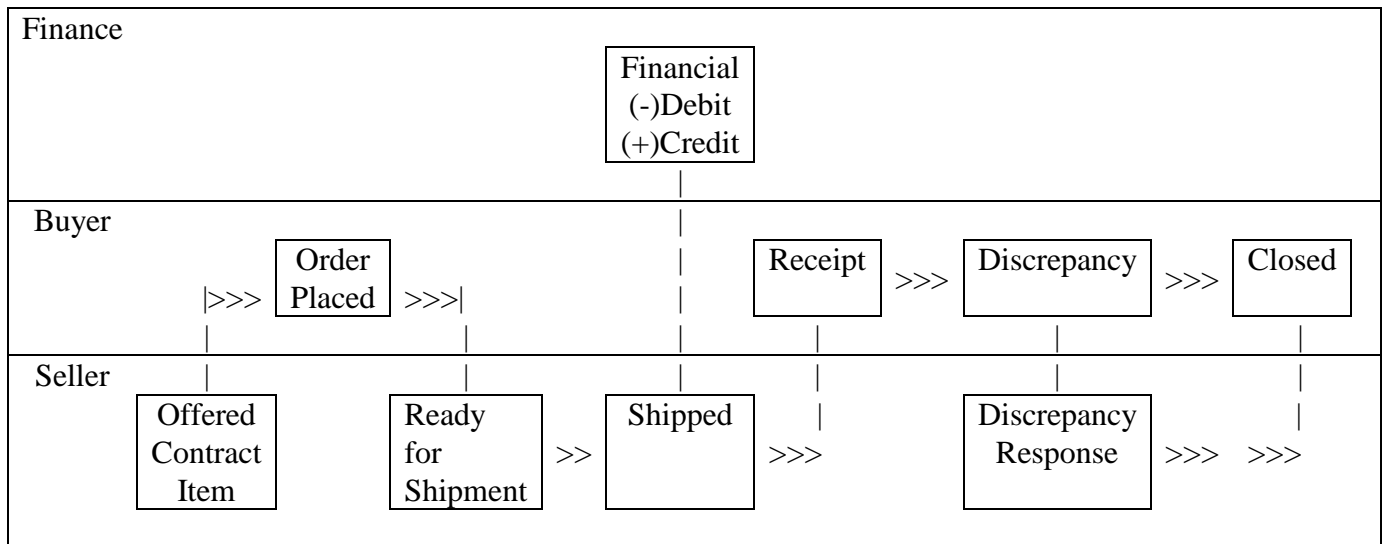
➢ Receipt;
➢ Discrepancies if applicable.

Many Armed Forces will be connected to the NLSE system and will have the ability to place orders against the existing COMMIT contracts.

5.   FINANCIAL ACCOUNTING AND PAYMENT

5.1 All transactions between the business partners are done as briefly described above. The financial accounting is part of the system. A debit – equal to the unit price times the quantity order, occurs when the Contractor reports a release (shipment status) in the system. The corresponding credit is deposited to the Contractor's NLSE account. Once the materiel has been shipped and the proof of shipment is provided to the Buyer/Contracting Officer (if applicable, i.e. FCA or DAP Incoterms 2010), the physical transfer of funds to the Supplier's bank account will automatically take place. This process normally takes 15 days for the funds to be received by the Supplier's bank.

5.2   Software workflow

The process is presented in the workflow as presented in the figure below.

Finance							
			Financial (-)Debit (+)Credit				
Buyer		>>> Order Placed >>>			Receipt >>>	Discrepancy >>>	Closed
Seller	Offered Contract Item	Ready for Shipment >>	Shipped >>>		Discrepancy Response >>> >>>

5.3   Functions

The Contractor will be given the ability to:
➢ Check expiry dates for each contracted line item;
➢ Search for its own contract(s),
➢ View consumption report;
➢ View, accept and (in exceptional circumstances) reject new orders;
➢ Reply to a Discrepancy Report (DR).

6.   TRAINING AND SUPPORT

The new NLSE application has an on-line help file and user-friendly interface. Contractors will also have the ability to contact the NLSE Helpdesk nlsehelpdesk@nspa.nato.int for answers to specific and/or technical questions. Training sessions will also be held in the future to demonstrate the functionality of the new tool and provide support.