



NATO  
+  
OTAN

# **ManTech Global Services** ***NATO Operations***

# Why Chase NATO Business

- **NATO Ramps up as US and Coalition forces withdraw (Growing Market)**
- **ManTech holds a NATO/ NC3A BOA which restricts competition**
- **NATO wants more US firms working on NATO projects**
- **Real Money vs. IDIQ Contracts**
- **ManTech has an EXCELLENT past performance with NATO**
- **ManTech will perform in hostile environments where many European firms will not**
- **Competitive advantage with Euro / Dollar exchange rates**
- **Average Business Unit profit is over 15%**
- **Less Formal RFP process and more room for negotiations**



## ManTech NATO Rear & Forward Organizational Responsibilities



### Colorado Springs

- Intra-ManTech Coordination for NATO Bids
  - Team ManTech Approach to Bids
    - DSG, IS&T, SM&A, MSS
- ITAR/EAR Reviews
- Pre-Qualification of Bids (Pro-Active)
- NATO Security/Clearance Coordination
- NATO Proposal Support
- NATO Biz / Ops, PM, CA, AP, AR and Finance

### Brussels Office

- The ManTech Interface to U.S. Mission
- Support Documentation
- Pre-Qualification of Bids (Pro-Active)
- Facilitate Customer Visits
- Marketing/Customer Relations
- Foreign Teaming Relationships
- Customer intelligence

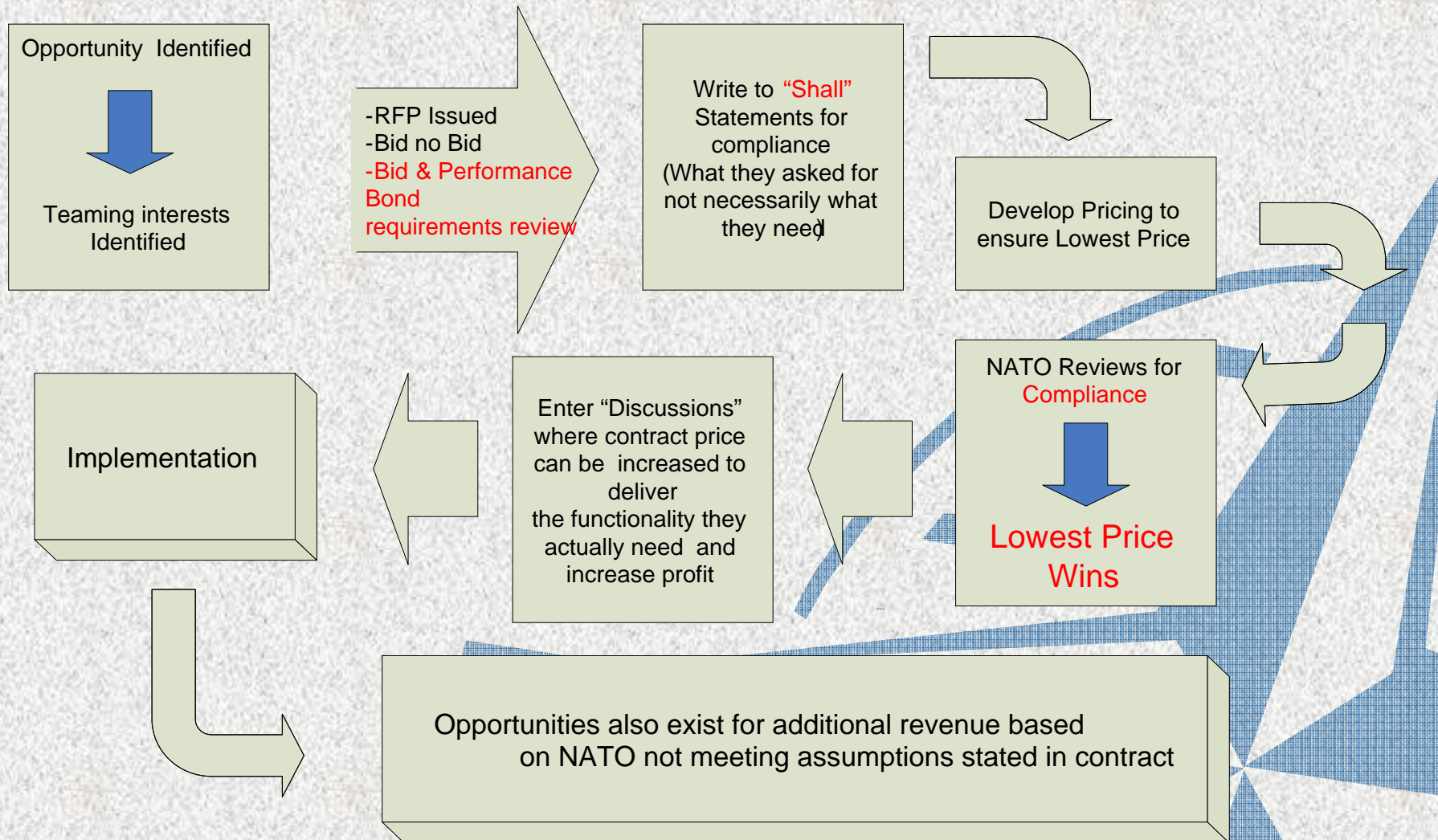
- **Firm Fixed Price (FFP) Proposals**
- **Bid Bonds / Performance Bonds (Avg.10% of contract value) /Liquidated Damages**
- **High use of Nationals of NATO nations as sub/consultants (Industrial Benefit Sharing)**
- **Export Control Compliance (TAA's and export licenses)**
- **Pricing of large Material buys**
- **Foreign Currency – Exchange Rates**



# Is Firm Fixed Price (FFP) Really Firm Fixed Price?

- **In a NATO FFP proposal**
  - Lowest compliant bid normally wins - **NOT** “Best Value” as in many US proposals
  - However, Best Value is being used on a very limited basis during a two-year trial period.
  - When NATO funds a project the monies allocated can NOT be used for any other project.
    - Thus a project funded at \$2m with a winning proposal of \$1.5m leaves NATO an extra \$0.5m to use on the project (ECP’s awarded sole source to the contract holder)
- **Is a NATO FFP contract renegotiable?- Yes**
  - In many FFP contracts we have gone back to NATO for additional compensation
  - A recent example would be the “Secure VTC” Project
  - We requested and were granted over \$130K which equates to 10% of the entire contract value

# NATO Proposal Process





# **Bid Bonds/ Performance Bonds Liquidated Damages**

## **Bonds**

- What are the costs associated with Money tied up in bonds
- What are the opportunity costs in tying up the credit line
- Who should bear these costs

## **Liquidated Damages**

- ManTech has never incurred any NATO related Liquidated Damages
- In the last 25 years NATO has not imposed any Liquidated Damages on a contractor
- If we are mismanaging a project and Liquidated Damages are imposed we have bigger problems than the Liquidated Damages

# European Union (EU) Subs/Consultants

## Why Sub/Consultant heavy

- NATO European Union Nationals are already authorized to work in EU countries – No work visa's required, etc.
- Considering our Wrap rates it is much more profitable to use Subs/Consultants while incurring lower start-up costs
- Many NATO contracts begin with only a 3-month commitment and we can not incur the start up cost of bringing over a US employee

## Sub- contractors/ Consultant

- We need legal review of our US contracts being used in the EU
- Are they Binding
- Do we need to rewrite

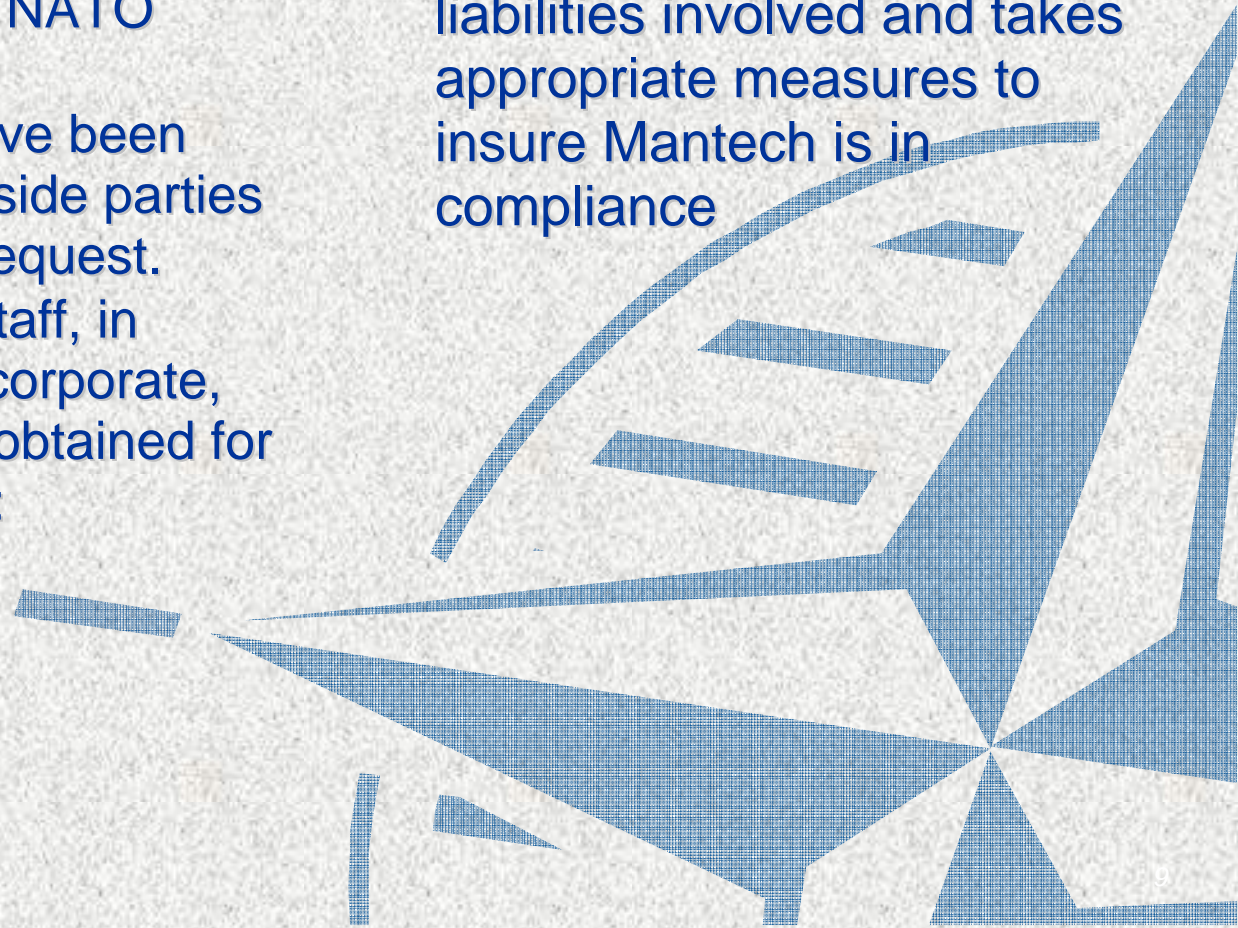


## Corporate Review

- MGSC gets corporate review and stance on all NATO proposals
- Some reviews have been performed by outside parties at Gaert Sime's request.
- MGSC contract staff, in conjunction with corporate, has successfully obtained for various contracts:
  - TAA's
  - DSP 73's
  - DSP 5's

## Importance

- MGSC fully understands the liabilities involved and takes appropriate measures to insure Mantech is in compliance



## Computer Equipment

- To be competitive on bids with large amounts of "Commodity" computer equipment we must bid what the market will bear (2% - 3%)
- On other projects where we are sole-sourced or performing in theater, we can get up to 20% fee.

## Important comparison

- On many US contracts we can only charge M/H





# Foreign Currency – Exchange Rates

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## Exchange Rate Issues

- All contracts are NOT in US dollars
- ManTech attempts to mitigate as much of the currency risk as possible by bidding in the currency in which we expect expenses to be incurred

