

RURAL AIR CARRIER – MEDICAID TRAVEL # 2021-9900-4551



ALASKA ISSUING OFFICE:

Department of Administration
Shared Services of Alaska (SSoA)

P.O. Box 110210

Juneau, Alaska 99811-0210

Attn: Shavonne Jordan, Statewide Contracting

THIS IS NOT AN ORDER DATE ISSUED: May 26, 2020

RESPONSES DUE: 4:00 PM Alaska Time, June 23, 2020

IMPORTANT NOTICE: If you received this document from the State's "Online Public Notice" web site, you must register with the Procurement Officer listed on this document to receive subsequent amendments. Failure to contact the Procurement Officer may result in the rejection of your response. Participants must submit the completed front page along with all required documents outlined within this solicitation document to address listed above.

This solicitation is exempt from procurement code per AS 36.30.850(b)(43).

Note: This solicitation is for a new contract. Contractors who hold a contract under any different number, and all other interested contractors, **MUST** respond to this new solicitation by completing and returning this "Respondent Information" page and all required documents identified herein. Return of required documents will confirm the contractor's interest to provide services under contract at the rates set herein. Contractors are encouraged to read this document in its entirety. The State reserves the right to request additional information from contractors as needed.

RESPONDENT INFORMATION

Shavonne Jordan
Contracting Officer III

EMAIL:
shavonne.jordan@alaska.gov

COMPANY SUBMITTING RESPONSE

AUTHORIZED SIGNATURE

PRINTED NAME

DATE

ALASKA BUSINESS LICENSE NUMBER

FEDERAL TAX-ID NUMBER

CONTACT INFORMATION

PHYSICAL ADDRESS^

CITY^

STATE^

ZIP^

MAILING ADDRESS^

CITY^

STATE^

ZIP^

SINGLE POINT OF CONTACT FOR CONTRACTUAL ISSUES:

SINGLE POINT OF CONTACT FOR RESERVATIONS:

NAME ^

NAME ^

PHONE ^

PHONE ^

WEBSITE LINK ^

WEBSITE LINK ^

E-MAIL ADDRESS ^

E-MAIL ADDRESS ^

1.0 SOLICITATION INFORMATION

INTENT: This solicitation is intended to result in mandatory, multiple award, multiple term contracts to provided non-emergency Rural Air Carrier services for Medicaid recipients and establish compensatory rates for such services.

For the purposes of this contact, “Rural” refers to travel between city pairs within Alaska except between: 1) Anchorage and Juneau, and 2) Anchorage and Fairbanks. These services are to provide point-to-point transportation to rural and/or remote Alaskan cities.

Reservations will be booked by the State of Alaska in accordance with prevailing state travel policies.

PRE-BID TELECONFERENCE: There will be a pre-bid teleconference on **May 29, 2020 at 11:00 AM** Alaska Time. The teleconference will be brief and provide an overview of the contract sections and individual provisions. Participants should read the ITB first to become familiar with the sections. This will be a teleconference only, and potential bidders may participate by calling. To dial into the teleconference, please use **1-800-315-6338, access code 09593#**.

Technical questions may be asked but will not be answered at the Pre-bid teleconference. All Technical questions must be received in writing no later than June 12, 2020 at 4:00 pm, in the form of an email to Shavonne.jordan@alaska.gov. Technical questions will be answered in a written amendment that will be posted on the Online Public Notices, allowing all bidders an equal understanding of all questions and answers.

RESPONSE DEADLINE: Please submit your response and required documentation to the issuing office on **Tuesday, June 23, 2020 no later than 4:00 pm Alaska Time**. Responses received after this date and time will be rejected. **You may send paper responses. Emailed copies of your responses are preferred..** See details within this document.

CONTRACT PERIOD: Contract term will be from July 1, 2020 through June 30, 2021, with the option to renew for one (1) additional one-year term, through June 30, 2022, under the same terms and conditions as the original contract. Renewals are to be exercised at the sole discretion of the State.

FARES: Contract fares shall be calculated based on the effective Intra Alaska Bush Service Mail Rates issued by the United States Department of Transportation, Office of the Secretary (USDOT) under docket OST-2003-14694. Contract fare rates will be updated upon receipt of fuel adjustments to the Intra Alaska Bush Service Mail Rates by the USDOT. An updated copy of the “Fares” will be emailed to contractors at the email address listed under the single point of contact for contractual issues listed on the cover of this response.

The R-121, P-135, and Seaplane rates shall be used. These rates are provided as a per revenue ton mile (RTM) and are converted for use herein as follows:

- RTM rate is divided by 1 American ton (2,000 pounds) to obtain a per pound, per mile rate;
- The per pound, per mile rate is multiplied by a weight of 200 pounds¹ to obtain a per passenger, per mile rate;
- The per passenger, per mile rate is multiplied by the distance between two cities² to obtain a fixed mail rate;
- An R-121, P-135 Flex/Fixed, or Seaplane rate is chosen for a market based on the lowest rate of any of the carriers actually operating in the market and applies to all carriers in the market. The rate chosen for a market may change based on market data provided by the United States Postal Service;
- The current fixed per ton terminal fee, as issued under docket OST-2003-14694, is added after it is divided by 1 American ton and multiplied by 200 pounds;
- The resulting fixed fare is multiplied by a discount percentage, determined as follows, and then rounded to the nearest whole dollar:
 - R-121 and Seaplane market rates shall be multiplied by 80%;
 - The P-135 Fixed rate shall be divided by 1 American ton and multiplied by 200 pounds, then added to the P-135 Flex market rate and multiplied by 90 %.

¹ Based on FAA AC 120-27E, Table 2-1 STANDARD AVERAGE PASSENGER WEIGHTS.

² Distance (statute miles) calculated using standard great circle point to point distance formula with spherical (1' = 1 nautical mile) earth model. Decimal latitudes and longitudes used were obtained from AirNav.com using FAA information. The formula is as follows, after converting coordinates to radians:

$$\text{Distance} = ((2 * \sin(\sqrt{(\sin((\text{latitude1} - \text{latitude2}) \div 2))^2 + \cos(\text{latitude1}) * \cos(\text{latitude2}) * (\sin((\text{longitude1} - \text{longitude2}) \div 2))^2})) * 180 * 60 \div \text{PI}) * 1.15077945$$

CITY PAIRS: The city pairs shown on the attached document titled “**Fares ‘2020-3-6.pdf’**” are not representative of all possible Alaska city pairs. At the sole discretion of the State, city pairs not represented on this document may be 1) added and associated fares calculated in accordance with the methodology set forth in the FARES section or 2) purchased in another manner. In cases where a city pair shown on the RURAL AIR FARES document is composed of more than one segment, the actual fare for that city pair shall be the sum of the fares for each segment that actually compose the city pair.

ALASKA STATE LAWS: By signature on their response, the respondent certifies they will comply with all applicable state laws during the term of any contract(s) resulting from this solicitation.

2.0 CONTRACT AWARD AND USAGE

METHOD OF AWARD: All respondents to this solicitation will be awarded a contract, provided they meet and agree to the specifications, terms, and conditions of this solicitation and indicate such by signature on the front page.

CONTRACTOR SELECTION PROCESS: When the State requires Travel Services under this contract, a contractor will be selected from the list of contractors available for the city pair(s). Selection rating is based on the order of listed criteria outlined below:

1. If two or more carriers are available, and the traveler has indicated a preference for a specific carrier, that carrier will be selected.
2. If there is no traveler preference, or the traveler’s preferred carrier is not a contractor, the State will attempt to ensure that contractors are selected as equitably as possible.
3. If there are no carriers available, the State will first attempt to adjust the required travel schedule. If this is not possible, the State may then solicit off-contract carriers.

TRAVELER APPROVAL: Travelers receiving services under this contract may refuse to travel with a carrier if valid justification is provided on their travel request. Reasons for refusal may include, but are not limited to, obvious mechanical defects apparent on the aircraft at time of travel, pilot incapacitation, or prior unsafe flying experiences.

AIR CARRIER/CONTRACTOR APPROVAL: Air carriers may refuse service to any passenger for valid reasons such as, but not limited to: smuggling alcohol into dry communities, smuggling illegal drugs into a community, tampering with the aircraft, and disorderly or dangerous behavior. If a passenger is banned from a particular air carrier, the payer source must be notified within 15 days of the incident.

CONTRACT DEFICIENCY: The Contractor's failure to provide services, pursuant to a travel arrangement made under the terms of this contract, will be considered a contract deficiency.

For the purposes of this section, substantiated complaints received from travelers regarding safety issues shall be considered a contract deficiency at the discretion of the State.

If a contractor gets more than three substantiated deficiencies in a 30-day period or a total of nine substantiated deficiencies in a 180-day period, it will be grounds for the State to declare the Contractor in default.

3.0 CONDITIONS AND GENERAL INFORMATION

CONTRACT ADMINISTRATION: The administration of this contract is the responsibility of the Procurement Officer appointed by Shared Services of Alaska (SSoA).

NEW SOLICITATIONS: The State of Alaska may periodically conduct new, abbreviated solicitations under the same terms and conditions set forth herein. Contract awards made as a result of such new solicitations shall be grouped with all other contract fares.

CONTRACT COMPLIANCE: In the performance of a contract that results from this solicitation, the Contractor must comply with all applicable federal, state, and borough regulations, codes, and laws; and be liable for all required insurance, licenses, permits and bonds; and pay all applicable federal, state, and borough taxes and contract minimum requirements. If a contractor is found to be non-compliant with these requirements, they will be removed from the preferred carrier list until requirements are met and they are deemed compliant.

COMPLIANCE WITH ADA: By signature on their response the respondent certifies that they comply with the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government.

Services or activities furnished to the general public on behalf of the State must be fully accessible. This is intended to ensure that agencies are in accordance with 28 CFR Part 35 Section 35.130 and that services, programs or activities furnished to the public through a contract do not subject qualified individuals with a disability to discrimination based on the disability.

DEFAULT: In case of default by the Contractor, for any reason whatsoever, the State of Alaska may procure the services from another source and hold the Contractor responsible for any resulting excess cost and may seek other remedies under law or equity.

DISPUTES: Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.

ORDER DOCUMENTS: Except as specifically allowed under this solicitation, an ordering agency will not sign any vendor contract. The State is not bound by a vendor contract signed by a person who is not specifically authorized to sign for the State under this solicitation. The State of Alaska Purchase Order, Contract Award and Delivery Order are the only order documents that may be used to place orders against the contract(s) resulting from this solicitation.

TRANSPORTATION OF DRUGS OR ALCOHOL: The State reserves the right to suspend or terminate any contract awarded as a result of this solicitation, in whole or in part, if the Commissioner of the Department of Public Safety makes a written determination to the Commissioner of Administration that the carrier has transported illegal drugs or has transported alcohol in violation of state, federal or municipal law or regulation, or that the carrier or its agents or employees have not provided full cooperation and assistance to the Department of Public Safety in investigating such conduct.

INCIDENT REPORT: An accident involving an aircraft operated under the contract established from this solicitation shall be reported by the Contractor to the Shared Services of Alaska (SSoA) Procurement Officer within **15 days** of the accident. Failure to report the accident may cause the State to cancel the contract. For the purposes of the contract resulting from this solicitation, "aircraft accident" means death or injury as a result of being on or in contact with the aircraft, the aircraft receives substantial damage as defined by the NTSB, flight control system malfunction or failure, inability of a required flight crewmember to perform duties as a result of injury or illness, engine failures, aircraft collision or aircraft disappearance.

INSPECTIONS: The State reserves the right to inspect and approve any aircraft offered and inspect and approve its documentation prior to award of the contract or at any time during the contract period. The respondent's failure to provide the aircraft for inspection or deliver the documentation within the time specified by the State may cause the State to consider the response non-responsive and reject the bid or cancel the contract.

SAFETY: If during the course of performance under the terms and conditions of this contract, the Contractor accumulates three or more National Transportation Safety Board (NTSB) accident reports, the State of Alaska may, at its sole discretion, cancel the contract in default.

CONTRACT CANCELLATION: The State reserves the right to cancel a contract(s) at its convenience upon 15 calendar day's written notice to the Contractor. The State is liable only for payment in accordance with the payment provisions of this contract for services or supplies provided before the effective date of termination.

A contractor's failure to perform as required under this section may cause the State to terminate the contract or consider the Contractor in default.

FORCE MAJEURE: (Impossibility to perform) The Contractor is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the Contractor. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

SUPPORTING INFORMATION: The State reserves the right to request supplemental information from the respondent, after the responses have been received, to ensure compliance with the solicitation requirements. The requirement for such supplemental information will be at the discretion of the State.

A respondent's failure to provide this supplemental information within the time set by the State will cause the State to consider the response to be non-responsive and reject the response.

4.0 BILLING AND PAYMENT

QUANTITIES: The State does not guarantee any minimum purchase. Orders will be issued throughout the contract period on an as-needed basis.

CHANGE/CANCELLATION: No penalties may be imposed against the State for changes to or cancellation of a reservation at any time.

NO SHOWS: The State shall not be liable for any charges or penalties when a ticketed passenger does not board the flight for which they are ticketed.

EXCESS BAGGAGE: The State is not responsible for any charges arising from a passenger boarding with excess personal baggage. All such charges are the sole responsibility of the passenger. Medical equipment such as CPAP, portable oxygen concentrators, breast pumps, casts, crutches and wheelchairs may not be charged as extra baggage or freight.

INVOICING INSTRUCTIONS: Detailed Invoices must be billed to the ordering agency's address shown on the Individual Purchase Order, Contract Award or Delivery Order, not to Shared Services of Alaska (SSoA). Questions concerning payment matters must be addressed to the specific ordering agency. Detailed Invoices must be submitted to the ordering agency within 30-days of the completed travel.

The Executive Branch ordering agency may make a payment before or after it receives the service and the invoice. The Medicaid Travel ordering agency will make a payment after services are completed by the traveler and upon receipt of a detailed, undisputed invoice. Travel services, that cannot be confirmed as completed in its entirety by the state, will not be paid until confirmation is complete. Any over payments that occur, must be reimbursed to the state within 30 days of event.

PAYMENT METHODS: For purchases of services under this contract, the Contractor must accept as the method of payment any of the following:

- 1) a State of Alaska US Bank charge card account;
- 2) a voucher/direct-billing method for Medicaid recipient travel with the State Travel Office.

No additional fees for use of any payment method shall be billed to the State.

When a state charge card is the form of payment, the Contractor shall:

- 1) process the payment transaction within 48 hours of transportation being provided;
- 2) not require information in addition to the account number and expiration date, such as billing address or CVC code, to hold the reservation or process the payment;
- 3) include traveler name (or description for confidential travel) in point of sale data transmitted with the processed transaction – carriers without this technology may request a waiver from the State to this requirement; and
- 4) maintain the security of names (if applicable), account numbers, and expiration dates on state charge cards at all Contractor locations.

PAYMENT FOR STATE PURCHASES: Payment for the undisputed invoice of services provided to a state agency pursuant to this solicitation will be made within 30 days of the receipt of a proper billing or the delivery of the services, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement that establishes a lower interest rate or precludes the charging of interest.

5.0 INSURANCE REQUIREMENTS

INSURANCE: Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Procurement Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of updated insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

Proof of insurance is required for the following:

Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

Aircraft Liability Insurance: Shall be required in amounts according to the passenger capacity of the aircraft offered in the bid.

- 1 to 5 place passenger seating capacity, contractor must maintain not less than \$150,000 per seat bodily injury or death single and \$1,000,000 per occurrence.
- 6 to 10 place passenger seating capacity, contractor must maintain not less than \$300,000 per seat bodily injury or death single and \$3,000,000 per occurrence.
- 11 to 20 place passenger seating capacity, contractor must maintain not less than \$500,000 per seat bodily injury or death single and \$5,000,000 per occurrence.
- 21 and greater passenger seating capacity, contractor must maintain not less than \$500,000 per seat bodily injury or death single and \$10,000,000 per occurrence.

Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

Failure to supply satisfactory proof of insurance within the time required will cause the State to declare the respondent non-responsible and to reject the response.

INDEMNIFICATION: The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. “Contractor” and “Contracting agency”, as used within this and the following article, include the employees, agents and other Contractors who are directly responsible, respectively, to each. The term “independent negligence” is negligence other than in the Contracting agency’s selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor’s work.

6.0 MINIMUM REQUIREMENTS

STANDARDS/CERTIFICATION REQUIREMENTS: To be considered, the company, aircraft, or employees (as applicable) must meet the following requirements by the deadline set for receipt of responses and must provide the following documents within five working days if requested by the state.

- All air carriers must be in compliance with all state insurance requirements and be on file as such with the State of Alaska Department of Transportation and Public Facilities, Division of Statewide Aviation;
- All air carriers must be certified to operate in the State of Alaska by the Federal Aviation Administration (FAA);
- All passenger air carrier services must adhere to the FAA Operation Specification FAR part 119 and all other FARs including those portions applicable to civil aircraft and State of Alaska law, unless otherwise authorized by the State of Alaska;
- Individual commercial pilots must meet all FAA regulations for flying aircraft;
- Aircraft used in the performance of services under this contract must have a Standard Airworthiness Certificate;
- Pilots operating aircraft used in the performance of services under this contract must have a current FAA Commercial Pilot Certificate with appropriate rating and at least a current Second-Class Medical Certificate;
- All air carriers must be commuter air carriers or air taxi operators as defined in 14 CFR 298.2. Commuter air carriers must hold a commuter air carrier authorization issued under 49 U.S.C. 41738. Air taxi operators must hold authorization under 14 CFR 298;
- All air carriers must be certified as operating under FAA operating specification FAR Part 121 and/or Part 135. Air carriers responding to this solicitation must have operated under these FAR Part 121 and/or Part 135 since at least **January 1, 2016** and must provide documented evidence of such.

Additionally, pilots in command must meet the following list of minimum pilot standards and provide evidence of such upon request:

- 200 hours flying time for each aircraft make and model used in the performance of this contract;
- 200 hour flying time in Alaska; and
- 1,000 total flying hours for VFR Operations
- 1,500 total flying hours for IFR Operations

Responses will be accepted only from operators meeting the above described operational, pilot and equipment certifications and requirements. Contractors shall maintain compliance with these certifications and requirements in performing any service resulting from this solicitation. Failure to maintain compliance shall cause the State to cancel the contract.

A copy of the respondent’s FAA Air Carrier Certificate must be submitted with the response. Failure to supply the certificate may cause the State to reject the response.

PERFORMANCE REQUIREMENTS: Throughout the term of any contract awarded as a result of this solicitation, contractors must meet the following performance requirements:

1. The Contractor must offer a single, central point of contact for the State of Alaska to book reservations. This single, central point of contact must accept reservation bookings via telephone, fax, e-mail or online reservation request.
2. Aircraft offered under this contract shall be operated and maintained by the Contractor;
3. The Contractor shall ensure that employees engaged in the performance of this contract are thoroughly familiar with its requirements;
4. Standard equipment for all aircraft shall be as required by FAR regulations and Alaska statute, where applicable; and
5. The Contractor shall operate in accordance with their approved FAA operations specifications.

A contractor's failure to perform as required under this section may cause the State to terminate the contract or consider the Contractor in default.

RATE REQUIREMENTS:

1. Vendor must publish two fare class options with a discount:
 - a. Refundable
 - b. Non-Refundable
2. Carriers that have Global Distribution Systems must include all advertised public pricing, refundable and non-refundable, regardless of distribution source.
3. Carriers that do not have Global Distribution Systems must provide to the state, monthly notice of all unused tickets.

7.0 INSTRUCTIONS TO RESPONDENTS

SUBMITTING EMAIL BID RESPONSES: Bids may be emailed to shavonne.jordan@alaska.gov, no later than the date and time listed on the ITB "DEADLINE FOR RECEIPT OF BIDS," and must contain the ITB number and name in the subject line of the email to be identified.

Emailed bids must be submitted in Excel, Word or PDF formats. The maximum size of a single email (including all text and attachments) that can be received by the state is **20mb (megabytes)**. If the email containing the bid exceeds this size, the bid must be sent in multiple emails that are each less than 20 megabytes and each email must comply with the requirements described above. The state is not responsible for unreadable, corrupt, or missing attachments. Do not include advertising or images. These unnecessary items may put your email over the 20 megabyte limit. It is the bidder's responsibility to contact the issuing office at (907) 465-5682 to confirm that the bid has been received. Failure to follow the above instructions may result in the bid being found non-responsive and rejected.

VENDOR TAX ID NUMBER: If goods or services procured through this solicitation are of a type that is required to be included on a Miscellaneous Tax Statement, as described in the Internal Revenue Code, a valid tax identification number must be provided to the State of Alaska before payment will be made.

RESPONSES: In order to respond to this solicitation, respondents must complete and submit the **front page** of this solicitation along with all identifiable documentation necessary to demonstrate compliance with all Minimum Requirements listed in Section 6, on page 7 of this solicitation, including, but not limited to:

1. Proof of Alaska Business License;
2. Proof of Insurance:
 - Commercial General Liability,
 - Aircraft Liability,
 - Automobile Liability, and
 - Worker's Compensation Insurance;
3. Current Air Carrier Certificate of Compliance issued by the State of Alaska, Dept. of Transportation;
4. Proof of operation under part 121/135 since at least January 1, 2016;
5. Proof of Commuter Air Carrier or Air Taxi authorization ("Aircraft Authorization" section of FAA Operations Specification, etc);