

STATE OF ALASKA

Department of Public Safety
Division of Administrative Services



Aircraft Broker Service

RFP 2023-1200-0006

Amendment # 4

November 4, 2022

This amendment is being issued to transcribe questions and answers asked during the pre-proposal conference as well as other questions asked by potential vendors.

Important Note to Offerors: You must sign and return this page of the amendment document with your proposal. Failure to do so may result in the rejection of your proposal. Only the RFP terms and conditions referenced in this amendment are being changed. All other terms and conditions of the RFP remain the same.

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COMPANY SUBMITTING PROPOSAL

AUTHORIZED SIGNATURE

DATE

Pre-proposal Questions:

Question 1: Is the reason for the payment structure with having the contractor make the purchase and the state purchase it because of how the financing is set up on the state's side?

Answer: This structure is due to the state's procurement regulations and codes, and financing as well. We do have the funding, but we are unable to purchase directly without going through a procurement process for each aircraft. This process solves that problem by allowing the state to do a competitive process to secure a broker, which then allows the state to purchase aircraft through the broker instead of going out to a competitive bid for each aircraft. This process allows the state to secure a broker as an agent and then the state can reimburse the broker for the purchase. The intent would be to work closely with the contractor so that if an aircraft is identified, both parties would work at the same time to review the aircraft and make the purchase. This is to ensure that when an aircraft is identified as viable from the contractor and the state, the purchase can happen quickly. Again, the state does have funding secured for all aircraft.

Question 2: How long is the contractor going to have funds out of pocket? How much funding would the contractor have to put forward at once?

Answer: It is possible the state will find a caravan and another aircraft or two at the same time, so purchases could be up to \$2,000,000 at a time, but reimbursements would happen as purchases are happening. Reimbursements will likely take one to three days from the time the paperwork is signed for payment to be complete if the reimbursement is via wire transfer.

Question 3: What is the state's availability for someone to look at an aircraft? Does the state have someone on standby or will the contractor's personnel be used depending on where the aircraft is at?

Answer: A mechanic or pilot from the state will be present for the initial inspection. If there is an extensive pre-buy inspection, the state may not be present the entire time. If an aircraft is identified and a state staff member will be present at the inspection, the state will make sure the staff member is en route as quickly as possible to the aircraft. The state understands there is a general 10-day maximum turnaround time for the visual inspection after a letter of intent.

Question 4: Will the focus be North American aircraft only?

Answer: Yes. The aircraft must be registered with the FAA (United States registered). This is an update to Sec 3.01 Scope of Work requirement that the aircraft must be located in the United States only.

Question 5: Is there any financial institutions that have done this process with the state already?

Answer: The state has typically purchased new aircraft in the past. But with used aircraft, the state will sometimes use forfeited aircraft or rebuilt aircraft. This proposed process is new for the state, but the state has worked with escrow services previously as well.

Question 6: Is the proof of funds something we can address alternatively through bid or performance security?

Answer: No. The reason for this requirement is to ensure the state that the awarded contractor has the funds available to move forward with the process as outlined in the scope of work. The state's goal is not to purchase all aircraft at once.

Question 7: Would the money be able to be in escrow during the prebuy? Does the state need to close in Alaska or the state where the aircraft is located? Will the state be delivering the aircraft to Alaska?

Answer: All aircraft will be registered as government use with the FAA. The state's intent is for state pilots to take possession of the aircraft with U.S. registration and money transfer ready (if not completed already), so that all transactions are complete, and the state pilots can take possession "free and clear". The state may contract out flying the aircraft back to Alaska.

Question 8: For on-site inspections (cosmetic, pre-buy, etc.) prior to purchase of the aircraft, how are we supposed to bill Alaska DPS for this? Do we just ask for an email confirmation from your end that you are authorizing each travel and inspection and bill thereafter? Or are said inspections supposed to be tucked or incorporated into our total financial bid proposal?

Answer: These costs will be part of the final purchase agreement for the aircraft. The state will pay for the aircraft and all inspections at the time of purchase from the contractor. These fees do not need to be included in the cost proposal for this solicitation.

Question 9: What assurance or binding document can we have on hand to give us enough security that the aircraft that we will buy on behalf of the State will actually be bought or reimbursed by Alaska DPS? Is there a written side agreement for this or are we only to rely on verbal go ahead signal from your team?

Answer: Once an aircraft is identified, the inspection by the contractor and state will occur. Following a favorable inspection, the contractor will work with the state to conduct a mechanical inspection. This could be accomplished by a subcontractor, a third party, or in some situations, state mechanic staff. Once the state agrees that the aircraft fits its needs, the state would enter into a written agreement with the contractor that would indicate that the state will purchase the aircraft for the agreed upon price. The state will also agree that associated costs would be paid for at closing with the escrow company. This agreement would be a legal document that would hold the state to purchasing the aircraft. As stated previously, the state has the funding necessary and intends to move swiftly over the next 12-18 months to achieve these purchases. Once the state signs and agrees to purchase an aircraft, it will be legally bound to complete the payment and reimburse the contractor for the aircraft. For legal reasons and for contractor assurance, the state does not recommend that a purchase is executed based only on a verbal agreement. The state would be happy to agree to a purchase agreement for the aircraft in writing before the contractor expends any capital to make the purchase on the state's behalf.

Changes to the RFP:

Change 1: Remove and replace Section 3.08 Subcontractors with the following: Subcontractors may be used to perform work under this contract for inspections and other tasks. Subcontractors must be approved by the state prior to use. Inspectors must be A&P/IA certified with the FAA. Subcontractor experience shall not be considered in determining whether the offeror meets the requirements set forth in Sec 1.04 Prior Experience. The following information may be requested by the state prior to subcontractor approval:

- complete name of the subcontractor;
- complete address of the subcontractor;
- type of work the subcontractor will be performing;
- percentage of work the subcontractor will be providing;
- evidence that the subcontractor holds a valid Alaska business license; and
- a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract.

An offeror's failure to provide this information, within the time set, may cause the state to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the project director. Note that if the subcontractor will not be performing work within Alaska, they will not be required to hold an Alaska business license.
