

STATE OF ALASKA

Department of Administration
Office of Procurement and Property
Management



AIRCRAFT PARTS AND AIRCRAFT BROKER

RFP 2023-020-0195/02-110-23

Amendment # Two

ISSUE DATE: October 5, 2023

This amendment is being issued to *for*:

- 1) **PROPOSAL DUE DATE CHANGED TO OCTOBER 13, 2023, 2:00 P.M. AKST.**
- 2) **Questions and Answers.**
- 3) **Change-Remove and Replace.**
- 4) **Additions.**

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.

Christine Mash
Contracting Officer
Email: doa.oppm.procurement@alaska.gov

COMPANY SUBMITTING PROPOSAL

AUTHORIZED SIGNATURE

DATE

Questions submitted by potential offerors and answers from the state:

Question 1: Section 1.03

- a. States the following qualification: “Licensed professional with FAA DAR-F and A&P certification to inspect and tag airworthy parts for return to service.”

I don't think the DAR-F is required to yellow tag parts so they can be sold as “airworthy”, a licensed A&P can perform that service. I also don't think a DAR-F is a requirement for what you are trying to do.

To my understanding, a DAR-F is used for providing FAA Forms 8130 for New Manufactured parts under complete custodial control of the manufacturer.

[Manufacturing and Airworthiness Designees | Federal Aviation Administration \(faa.gov\)](#)

- b. Also, I have been receiving several calls from “Gov Deals” who I think you use for selling items the SoA wants to disperse. They (Gov Deals) wants to ‘partner’ with us. Is that a requirement or can I just bid on this myself?

Answer: a. See **Change 2** below.

- b. Gov Deal must meet the requirements stated on Sec 3.08 Subcontractors of the RFP and **Change 1** below.

Question 2: Is there an inventory and if so, do you have condition status and what documentation is with the parts?

Answer: We do not have a complete inventory. Most of the parts have green or yellow tags. Please see SEC 3.01 and Amendment 1, Questions and Answers #7.

Question 3: If we are only submitting a proposal for Component 1 – Aircraft, do we still need a licensed professional with FAA-DAR-F and A&P Certification?

Answer: No for both the Contractors and subcontractors for Component 1 only. See **Addition 1** below.

Question 4: Apart from parts, what particular aircrafts will be brokered for sale? Are they airworthy still?

Answer: Please see SEC 2.01 Background Information and SEC. 1.01 Purpose of the RFP. Most of the aircraft have been in service for the state. For those aircraft, the state will provide all the documentation including if the aircraft is airworthy. However, we may have forfeited aircraft or assets that are seized. Those aircraft or assets will be sold as is where is if they've ever been operationally inside of our inventory. We will provide any books or documentation for those specific forfeited and seized assets, but they will not be certified as airworthy.

Question 5: Is there hazmat at?

Answer: We are not currently aware of any items that would be HAZMAT.

Question 6: Section 3.08 mentions Sec. 1.04 PRIOR EXPERIENCE and that Subcontractors must meet all the requirements indicated on Section 1.04. Did this intend to refer to Sec. 1.03 instead?

Answer: See **Change 1 below.**

Question 7: Do we need to sign and submit the Amendment (Number 1) together with the Proposal? If so, where do we insert it?

Answer: Yes, you can submit as an attachment.

Question 8: Given that aircraft brokerage is not a restricted trade, and no specific Board/body is mandated by law to regulate it or issue such “license and/or certificate” to practice the profession; In lieu of such license, will Certificates of Membership in various international aviation associations suffice and be given points upon evaluation of the proposal?

Answer: See **Addition 2.**

Question 9: For Component 1 – Aircrafts Cost Proposal, may we be allowed to indicate a percentage % (based on the Selling Price of the aircraft) as Offeror Service Fee, instead of a specific amount?

Answer: See **Change 4 below.**

Question 10: a. In selling the parts, is there a preference on the side of Alaska for auctions over listing?
b. Does it matter to the State which one is used by the proponent?

Answer: a. Direct resell and not auction.
b. Please see SEC. 3.03 Deliverables as it references maximum dollar value and highest value.

Question 11: It is not clear if material will remain in Alaska or if it will be transported to our Warehouses.

Answer: This is up to the Contractor due to efficiencies. It is the Contractor’s responsible for any and all transport costs.

Question 12: If Material remains in Alaska and we sell Items. Will you package material or do we need to send people to Package material and ship to buyer?

Answer: Please see SEC 3.01 Scope of Work and SEC. 3.07 Location of Work. It is the Contractor's responsible for all aspects of packaging and shipping to and from our facilities. It is imperative to keep absolute positive control on our inventory.

Question 13: Do you have any socio-economic preferences in your procurement process?

Answer: No. We use the Alaska State preferences [StatePreferenceGuide.pdf \(alaska.gov\)](#).

Question 14: For Subcontractor work done outside of Alaska. Do we need them to be registered to Alaska?

Answer: Yes.

Question 15: To be clear on understanding, the State of Alaska would like to keep the local community of Alaska as primary proponents within this fwd auction and global buyer secondary?

Answer: This is globally open to everyone who wants to propose. The offeror must meet all of the requirements stated in the RFP.

Question 16: Will DPS be providing digital photo of the aircraft, data plate, etc., and send scanned copies of the aircraft documentation/logs of the aircrafts to the selected proponent?

Answer: After award, when aircraft are being sold, the state will submit any documentation the broker needs in order to sell the aircraft to include the items above that the state has available.

Question 17: With the forthcoming amendments, do you foresee a need to extend the deadline for submission/receipt of Proposal/Proposal Due Date?

Answer: See Change 5 below.

Question 18: Is there a deadline for any future questions to be submitted?

Answer: See RFP page 6, Sec 1.10 RFP Schedule. Last day Questions Submittal October 4, 2023.

Question 19: We work very closely with repair shops as we manage repair services Will it be acceptable to provide list of Repair shops who can do inspection and return to service. Instead of providing A&P License. As it is a requirement.

Answer: Please follow the guidance in the RFP to include but not limited to, SEC. 1.03 Prior Experience and SEC. 3.08 Subcontractors.

Question 20: We rite relative to the Offeror Service Fee in Submittal Form G – Cost Proposal.

It is humbly submitted that a percentage (%) -based Offeror Service Fee, instead of a fixed amount fee, would be more beneficial to the State of Alaska and make more business sense for the proponent and all other stakeholders. The following reasons support the proposed change:

Reasoning for Percentage-Based Pricing:

1. Alignment with Success:
 - Pricing based on a percentage of the final sale price aligns the interests of the service provider (in this case, the aircraft broker) with the client's (State of Alaska) success. When the broker's compensation is tied to the sale price, it incentivizes them to secure the highest possible value for the client.
2. No Upfront Costs:
 - A percentage-based pricing model does not require the client to incur upfront costs. This can be particularly beneficial for government agencies or organizations with budget constraints, as they only pay when a successful sale is made.
3. Risk Mitigation:
 - It helps mitigate risk for the client. If the aircraft doesn't sell or sells for a lower value, the client doesn't pay as much in brokerage fees. This ensures that the client's interests are protected, and they are not overburdened with fixed costs regardless of the outcome.
4. Flexibility:
 - A percentage-based model is flexible and scalable. It allows clients to engage the broker's services for multiple aircraft of varying values without the need to negotiate separate fixed fees for each. This flexibility is especially useful for clients with a diverse fleet.
5. Incentive for Marketing Efforts:
 - Brokers are incentivized to invest more time and resources into marketing and selling the aircraft when their compensation is tied to the final sale price. This can lead to more extensive marketing campaigns, broader reach, and ultimately, a higher likelihood of a successful sale.
6. Fairness and Value-Based Pricing:
 - Percentage-based pricing is often seen as fair, as it reflects the actual value delivered by the broker. Clients perceive this as a value-based pricing approach, where they pay in proportion to the value received.
7. Cost-Efficiency for Clients:
 - Clients benefit from cost-efficiency, as they only pay a commission when a transaction occurs. This encourages efficiency and effectiveness in the sales process, as the broker strives to close deals promptly.
8. Industry Standard:
 - Percentage-based pricing is a common and widely accepted model in the aircraft brokerage industry. It provides transparency and simplicity for clients who are accustomed to this pricing structure.
9. Easy Cost Calculation:
 - Clients can easily calculate the brokerage fees they will incur by multiplying the agreed-upon percentage by the final sale price, providing transparency in cost estimation.

In conclusion, a percentage-based pricing model for selling used aircraft and aircraft parts offers several advantages, including a strong alignment of interests, cost-efficiency, risk mitigation, and flexibility. It encourages the broker to work diligently to achieve the best possible sale price, ultimately benefiting the client. This pricing approach is widely accepted and reflects industry standards.

Answer: See Change 4 below.

Change 1: RFP page 11, Sec 3.08 Subcontractors, **Remove** sentence “Subcontractor experience SHALL be considered in determining whether the offeror meets the requirements set forth in SEC. 1.04 PRIOR EXPERIENCE. Subcontractors must meet all the requirements indicated on Section 1.04.”

Replace: “Subcontractor experience SHALL be considered in determining whether the offeror meets the requirements set forth in **SEC. 1.03 PRIOR EXPERIENCE**. Subcontractors must meet all the requirements indicated in **Section 1.03**.”

Change 2: RFP page 8, Sec 3.01 Scope of Work, second paragraph, first sentence reads “Interested offerors must have appropriate FAA DAR-F and A&P certification to inspect and tag airworthy parts for return to service.”

Replace: Sec 3.01, second paragraph, first sentence with “Interested offerors must have the ability to inspect and tag airworthy parts for return to service.”

Change 3: RFP page 4, Sec 1.03, QUALIFIED AND PRIOR EXPERIENCE, **REMOVE THE ENTIRE PARAGRAPH** “For offerors to be considered responsive offerors must be qualified and meet the minimum prior experience requirements:

“Offerors must demonstrate and provide copy of all required licensed and certification in their proposal.

- Licensed professional with FAA DAR-F and A&P certification to inspect and tag airworthy parts for return to service.
- At least three years of experience brokering aircraft parts.
- Offerors must provide three past client reference with their proposal. Failure to provide past client references shall cause the proposal to be considered non-responsive.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and rejected.”

REPLACE: “For offerors to be considered responsive, offerors must be qualified and meet the minimum prior experience requirements:

Offerors must demonstrate and provide copies of all required licenses and certifications in their proposal.

- Licensed professional A&P certification to inspect and tag airworthy parts for return to service.
- At least three years of experience brokering aircraft parts.
- Offerors must provide three past client references with their proposal. Failure to provide past client references shall cause the proposal to be considered non-responsive.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and rejected.”

Change 4: REMOVE Attachment One, Cost Proposal

Replace: Amendment Two, Revised Attachment One, Cost Proposal.

Change 5: RFP page 4, Sec 1.02 Deadline for Receipt of Proposals, “Proposals must be received no later than **2:00 P.M.** prevailing Alaska Standard Time on **October 10, 2023** as indicated by postmark or email timestamp and late proposals will not be considered.”

Replace: “Proposals must be received no later than **2:00 P.M.** prevailing Alaska Standard Time on **October 13, 2023** as indicated by postmark or email timestamp and late proposals will not be considered.”

Change 6: RFP page 10, Sec 3.04 Contract Type, REMOVE “This contract is a firm fixed price contract.”

Replace: “This contract is a Cost-Plus Fixed Fee Contract”.

ADDITIONS

Addition 1: RFP page 4, SEC 1.03 Prior Experience, add:

- At least three years of experience brokering aircraft for Component 1 only.

Addition 2: RFP page 17, Section 4.04 Experience and Qualifications, add:

“Potential brokers for Component 1 only, that have any relevant licenses or certifications, shall include them in their proposal. This is preferred and the offeror may receive a higher scoring for that section if provided.”