



AIR CARGO CHARTER SERVICES

NON-MANDATORY FOR STATE AGENCIES

AVAILABLE TO POLITICAL SUBDIVISIONS

The Office of Procurement and Property Management (OPPM) has established these contracts to provide Air Cargo Charter Services for the transportation of state cargo to all areas within the state of Alaska. The contracts shall be on an as-needed basis for all Executive Branch Agencies. All other State of Alaska governmental entities may purchase from these contracts, including entities such as the Alaska Legislative Branch, the Alaska Court System, the University of Alaska, Boards and Commissions, all State of Alaska political subdivisions; cities, boroughs, school districts and Federal Agencies.

Contract No. 200000046

Term of Contract: January 1, 2020 to December 31, 2021

Renewals Remaining: One

Final Expiration Date: December 31, 2022

CONTRACTOR SELECTION PROCESS: An ordering agency will first consider the *type of aircraft* needed to complete the charter, based on, but not limited to, aircraft size and performance, transportation of hazardous materials, and available optional equipment.

The ordering agency shall then perform a *value analysis* to determine which contractor will be contacted first based on the lowest priced aircraft. This value analysis will be based on all factors that may affect the total charter cost, including but not limited to, designated home base, aircraft performance factors, flight-time rate, minimum flight-time, additional standby-time rate, and fuel costs.

The contractor with the *lowest priced aircraft that meets the state's requirements will be contacted first*. If for any reason the first contractor is not available or cannot perform the required service, the state will contact the contractor with the next lowest priced aircraft that meets the state's requirements. This process will continue until a contractor who can perform the service is identified. State agencies and other governmental entities using this contract should report each instance that a contractor is not available or cannot perform the required service to the Contracting Officer for documentation.

Ordering agencies should thoroughly consider all factors prior to selecting an aircraft, and if there is a potential cost savings based on contractor's rates or other factors, select aircraft from alternate locations.

Agencies can use www.travelmath.com to determine estimated distance and flight time between two locations by entering the contractor's listed average cruising speed (knots) listed for that particular aircraft.

VALUE ANALYSIS SPREADSHEET: This spreadsheet provides a breakdown of all vendor names, locations, aircraft make and model, services and equipment, designated base and a complete cost schedule. Please use the hyperlink for additional information and instructions. (Email Shavonne Jordan to request a copy of the Value Analysis Spreadsheet)

This document contains most the terms and conditions that apply to the Air Cargo Charter contracts. If you require additional information, or wish to see the ITB solicitation in its entirety, please contact the Contracting Officer:

**Shavonne Jordan
Contracting Officer
State of Alaska
(907) 465-5682**

Shavonne.jordan@alaska.gov

Air Cargo Charter Services #200000046

Regal Air (Alaska Skyways, Inc)

CA 20000046 A

4506 Lakeshore Dr.
Anchorage, AK 99502
Contact: Nicholas J. Cunningham
Phone: (907) 243-8535
Email: nic@regal-air.com
Email: info@regal-air.com
Web: www.regal-air.com/

Lake & Peninsula Airlines

CA 200000046 C

110 N. Easy Street
Port Alsworth, AK 99653
Contact: Heidi Wilder
Phone: (907) 781-2228
Email: lakeandpenair@gmail.com
Email: heidi@lakeandpenair.com
Web: www.lakeandpenair.com

70 North

CA 200000046 E

3705 Arctic Blvd #480
Anchorage, AK 99501
Contact: Mike McCrary
Phone: (907) 659-2544
Email: operations@seventynorth.com
Email:
Web: <http://seventynorth.com/home/>

Desert Air Transport

CA 200000046 G

4001 Old International Airport Rd. Unit #9
Anchorage, AK 99502
Contact: Joseph Benetka
Phone: (907) 243-4700
Email: joey@desertairalaska.com
Email: desertair@alaskan.com
Web: www.desertairalaska.com/

Alaska Air Transit (J&M Alaska Air Tours)

CA 200000046 I

2301 Merrill Field Dr. Suite A1
Anchorage, AK 99501
Contact: Josanne Breeding-Owen
Phone: (907) 276-5422
Email: josie@flyaat.com
Email: dan@flyaat.com
Web: www.flyaat.com

Spernak Airways, Inc.

CA 200000046 B

1707 Merrill Field Drive
Anchorage, AK 99501
Contact: Mike Spernak
Phone: (907) 272-9475
Email: mikespernak@customcpu.com
Email: spernak@customcpu.com
Web: www.spernakair.com

Kenai Aviation

CA 200000046 D

101 North Willow Street
Kenai, AK 99611
Contact: Keith Ham
Phone: (907) 382-4124
Email: keith@kenaiaviation.com
Email: contact@kenaiaviation.com
Web: na

Northern Air Cargo

CA 200000046 F

4510 Old International Airport Road
Anchorage, AK 99502
Contact: Ann Campbell
Phone: (907) 249-5163
Email: acampbell@nac.aero
Email: acampbell@naservices.aero
Web: www.nac.aero

Removed

CA 200000046 H

Clearwater Air, Inc.

CA 170007382 J

1100 Merrill Field Dr.
Anchorage, AK 99501
Contact: Andrew Harcombe
Phone: (907) 274-1705
Email: andrew.harcombe@clearwaterair.com
Email: mary.pratt@clearwaterair.com
Web: www.clearwaterair.com

Egli Air Haul**CA 200000046 K**

PO Box 169 #2 East Ramp

King Salmon, AK 99613

Contact: Sam Egli

Phone: (907) 246-3554

Email: egliair@bristolbaly.com

Email:

Web: www.egliair.com**ROTAK Helicopter Services****CA 200000046 L**

5014 Captain Hill Ct.

Anchorage, AK 99502

Contact: Chris Maynard

Phone: (907) 302-4113

Email: cm@rotakheli.comEmail: ely@rotakheli.comWeb: www.rotakheli.com**Maritime Helicopters, Inc.****CA 200000046 M**

3520 FAA Road

Homer, AK 99603

Contact: Bob Fell

Phone: (907) 235-7771

Email: bfell@maritimehelicopters.comEmail: ca@maritimehelicopters.comWeb: www.maritimehelicopters.com**Taquan Air (Venture Travel)****CA 200000046 N**

4085 Tongass Hwy

Ketchikan, AK 99901

Contact: Christa Hagan

Phone: (907) 225-8800

Email: christa@kawanti.comEmail: bianca@kawanti.comWeb: www.taquanair.com**Ryan Air, Inc****CA 200000046 O**

6400 Carl Brady Drive

Anchorage, AK 99502

Contact: Ben Ryan

Phone: (907) 771-2323

Email: ben@ryanalaska.comEmail: ryanair@ryanalaska.comWeb: www.ryanalaska.com**Sunday Air Taxi****CA 200000046 P**

PO Box 1422

Dillingham, AK 99576

Contact: Gabriel Davis

Phone: (907) 843-2002

Email: Sundayairtaxi@gmail.com

Email:

Web: www.sundayairtaxi.com**Coastal Helicopters****CA 200000046 Q**

8995 Yandukin Dr.

Juneau, AK 99801

Contact: Michael Wilson

Phone: (907) 789-5600

Email: mwilson@coastalhelicopters.comEmail: info@coastalhelicopters.comWeb: www.coastalhelicopters.com/**Island Air Service (Redemption, Inc.)****CA 200000046 R**

1420 Airport Way

Kodiak, AK 99615

Contact: Adam Lutz

Phone: (907) 487-4596

Email: adam@flyadq.comEmail: carissa@flyadq.comWeb: www.flyadq.com**Security Aviation (Fly 4 You)****CA 200000046 S**

6121 South Airpark Place

Anchorage, AK 99502

Contact: Jason Ward

Phone: (907) 248-2677

Email: jward@securityaviation.bizEmail: accounting@securityaviation.bizWeb: <https://securityaviation.biz>

NOTE: The contract document below has been modified to remove solicitation information that may be confusing. All remaining information is related to the contract intent, terms and conditions, insurance, scope of work, specifications, invoicing, payments, and general contract terms. If you wish to view a copy of the complete solicitation document, please contact Shavonne Jordan.

Air Cargo Charter 200000046 - Contract Terms and Conditions

INTENT OF CONTRACT

- 1. CONTRACT INTENT:** This Invitation to Bid (ITB) is intended to result in multiple, non-mandatory term contracts to provide Aircraft Cargo Charter Services for the transportation of state cargo to all areas within the State of Alaska. The contracts established shall be on an as-needed basis for all Executive Branch State Agencies. All other State of Alaska governmental entities may purchase from the contracts resulting from this ITB, including entities such as the Alaska Legislative Branch, the Alaska Court System, the University of Alaska, Boards and Commissions, and all State of Alaska political subdivisions; cities, boroughs, and school districts.

The contract(s) resulting from this ITB shall not be used for passenger service and are not intended for aircraft classified as Public Use Aircraft; defined per Title 49 United States Code, Section 40102(a)(41).

For this contract, aircraft is defined as: *helicopters and fixed-wing airplanes.*

For this contract, a charter or charter service is defined as: *aircraft and contractor personnel that an ordering agency hires under this contractual agreement for one-time exclusive use. Multi-day charters may be contracted as a one-time service.*

- 2. CONTRACT PERIOD:** The initial term for the resulting contract will be from the award date, approximately January 1, 2020 through December 31, 2020, with two optional one-year renewals through December 31, 2022. Renewal options may be exercised at the sole discretion of the State of Alaska. All licensing and insurance must be up to date and resubmitted at the time of renewals in order for each vendor's contract to be renewed.

CONTRACT TERMS & CONDITIONS

- 1. AUTHORITY:** This ITB is written in accordance with AS 36.30 and 2 AAC 12.
- 2. ASSIGNMENT(S):** Assignment of rights, duties, or payments under a contract resulting from this ITB is not permitted unless authorized in writing by the State of Alaska, Department of Administration, Division of Shared Services. Bids that are conditioned upon the State's approval of an assignment will be rejected as nonresponsive.
- 3. COMPLIANCE WITH ADA:** By signature of their bid the bidder 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 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.

- 4. CONTRACT COMPLIANCE:** In the performance of a contract that results from this ITB, 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.

5. **CONTRACT PERFORMANCE LOCATION:** By signature on their bid, the bidder certifies that all services provided under this contract by the contractor shall be performed in the United States. If the bidder cannot certify that all work will be performed in the United States, the bidder must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of bids. The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary. Failure to comply with these requirements may cause the state to reject the bid as non-responsive or cancel the contract.
6. **DEFAULT:** In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.
7. **DISPUTES:** If a contractor has a claim arising in connection with a contract resulting from this ITB that it cannot resolve with the State by mutual agreement, it shall pursue a claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.
8. **CONFLICT OF INTEREST:** An officer or employee of the State of Alaska may not seek to acquire, be a party to, or possess a financial interest in, this contract if (1) the officer or employee is an employee of the administrative unit that supervises the award of this contract; or (2) the officer or employee has the power to take or withhold official action so as to affect the award or execution of the contract.
9. **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.
10. **FEDERAL DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION:** Expenditures from the contract may involve federal funds. The U.S. Department of Labor requires all State agencies that are expending federal funds to have a certification filed in the bid, by the bidder, that they have not been debarred or suspended from doing business with the federal government. The Certification regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions form is attached to this ITB and must be completed and submitted with your bid.

In addition to this form, the bidder may have additional contractual requirements or certifications that must be satisfied at the time the order is placed or upon delivery. These federal requirements may be proposed by the ordering agencies for incorporation in orders placed under this contract.

Failure to provide the required certification before submitting a quote or failure to satisfy other federal requirements will not impact the evaluation of quotes received in response to this ITB, however, it may delay award of the contract and/or any orders placed under the contract until certification is submitted to the contracting agency or the federal requirements satisfy the ordering agency.

11. **GOVERNING LAW; FORUM SELECTION:** A contract resulting from this ITB is governed by the laws of the State of Alaska. To the extent not otherwise governed by section 12 of these Standard Terms and Conditions, any claim concerning the contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.
12. **HUMAN TRAFFICKING:** By signature on their bid, (**see Attachment #1 – Bid Submission Cover Sheet**), the bidder certifies that the bidder is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's

Trafficking in Persons Report. The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/>. Failure to comply with this requirement will cause the state to reject the bid as non-responsive and cancel the contract.

13. **SEVERABILITY:** If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.
14. **SPECIFICATIONS:** Unless otherwise specified in the ITB, product brand names or model numbers specified in this ITB are examples of the type and quality of product required and are not statements of preference. If the specifications describing an item conflict with a brand name or model number describing the item, the specifications govern. Reference to brand name or number does not preclude an offer of a comparable or better product, if full specifications and descriptive literature are provided for the product. Failure to provide such specifications and descriptive literature may be cause for rejection of the offer.
15. **SUITABLE MATERIALS, ETC.:** Unless otherwise specified, all materials, supplies or equipment offered by a bidder shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.
16. **CONTINUING OBLIGATION OF CONTRACTOR:** Notwithstanding the expiration date of a contract resulting from this ITB, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

CONTRACT INFORMATION

1. **ESTIMATED ANNUAL USE:** The state does not guarantee a minimum number of annual purchases. Orders will be issued throughout the contract period on an as-needed basis by purchasing agencies.
2. **PRICES:** The bidder shall state prices in the units of issue on this ITB. Prices quoted for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices quoted for services must be quoted in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost. Prices quoted in bids must be exclusive of federal, state, and local taxes. If the bidder believes that certain taxes are payable by the State, the bidder may list such taxes separately, directly below the bid price for the affected item.

The State is exempt from Federal Excise Tax except the following:

- Coal - Internal Revenue Code of 1986 (IRC), Section 4121 - on the purchase of coal;
- "Gas Guzzler" - IRC, Section 4064 - on the purchase of low m.p.g. automobiles, except that police and other emergency type vehicles are not subject to the tax;
- Air Cargo - IRC, Section 4271 - on the purchase of property transportation services by air;
- Air Passenger - IRC, Section 4261 - on the purchase of passenger transportation services by air carriers.
- Leaking Underground Storage Tank Trust Fund Tax (LUST) - IRC, Section 4081 - on the purchase of Aviation gasoline, Diesel Fuel, Gasoline, and Kerosene.

The State of Alaska is also exempt from State Motor Fuel Taxes. The appropriate exemption forms will accompany a contract(s) resulting from this ITB. The state is not exempt from the Federal Superfund Tax.

3. **EXTENSION OF PRICES:** In case of error in the extension of prices in the bid, the unit prices will govern; in a lot bid, the lot prices will govern.

4. **CONTRACT FUNDING:** Bidders are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.
5. **METHOD OF AWARD:** All respondents to this ITB will be awarded a contract provided they meet the specifications, terms, and conditions of this ITB and provided they are determined to be responsive and responsible bidders.
6. **CONTRACT CANCELLATION:** The state reserves the right to cancel a contract resulting from this ITB at its convenience upon 30 calendar days written notice to the contractor. The state is liable only for payment in accordance with the payment provisions of this contract for services provided before the effective date of termination.
7. **CONTRACT EXTENSION:** Unless otherwise provided in this ITB, the State and the successful bidder/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30 days before the desired date of cancellation.
8. **ALTERATIONS:** The contractor must obtain written approval from the contracting officer prior to making any alterations to the specifications contained in this ITB. The state shall not pay for alterations that are not approved in advance and in writing by the contracting officer.
9. **ORDER DOCUMENTS:** Except as specifically allowed under this ITB, 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 ITB.

INSURANCE REQUIREMENTS

1. **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.
2. **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.

3. **INSURANCE TYPES:** Proof of the following Insurance documents is required:
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.

Helicopter Liability Insurance: covering all aircraft used under this contract, with coverage limits not less than \$5,000,000 combined single limit for bodily injury, passenger liability, and property damage liability, and with limits not less than \$500,000 per passenger seat.

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.

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.

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.

NOTE: Copies of Certificates of Insurance should be supplied with the bid and must be obtained by the Contracting Officer prior to the award of a contract. Failure to supply satisfactory proof of insurance within the time required will cause the state to declare the bidder non-responsible and to reject the bid.

4. **INSURANCE UPDATES:** It is the responsibility of the bidder to maintain updated insurance documents with the Division of Shared Services contract administrator. During the course of the contract, failure to provide evidence of updated, proof of all insurance within 30 days of an insurance expiration or insurance update is a material breach of contract and may be grounds for suspension or termination of the contract.

Bidders should list the State of Alaska as a Certificate Holder:

State of Alaska
 Division of Shared Services
 Statewide Contracting
 PO Box 110210
 Juneau, Alaska 99811

SCOPE OF WORK AND SPECIFICATIONS

1. **CONTRACTOR SELECTION PROCESS:** Once the contracts are established, the contracting officer will group the aircraft into Designated Base locations, arrange them according to lowest per hour flight-time cost per make/model of aircraft, and list each aircraft's performance and optional equipment features in a "Value Analysis Spreadsheet."

When an ordering agency requires the use of an aircraft for a charter, they will consider the type of aircraft needed to complete the charter. This determination shall be based on, but not limited to, aircraft size and performance, transportation of hazardous materials, and available optional equipment.

Following this determination, the ordering agency shall then perform a value analysis to determine which contractor will be contacted first, based on the lowest priced aircraft. This value analysis will be based on all factors that may affect the total charter cost, including but not limited to, aircraft performance factors, aircraft location, flight-time hourly rate, minimum flight-time, additional standby-time hourly rate, daily availability rate, additional personnel rates and fuel cost.

The contractor with the lowest priced aircraft that meets the state's requirements will be contacted first. If for any reason the first contractor is not available or cannot perform the required service, the state will contract the contractor with the next lowest priced aircraft. This process will continue until a contractor who can perform the service is identified.

State agencies and other governmental entities using this contract should report each instance that a contractor is not available or cannot perform the required service to the contracting officer for documentation. The failure of a contractor to provide service under the terms and conditions of this contract three times within a 30-day period may result in contract default action.

2. **SUBCONTRACTORS:** The use of subcontractors in performance of services under this contract shall not be allowed.
3. **DESTINATION POINTS:** The destination points for this contract will be remote and non-remote locations throughout Alaska.
4. **DESIGNATED BASE:** Bidders shall indicate on the Bid Schedule the Designated Base for each aircraft offered. This information shall be used to group the aircraft into appropriate locations after award of the contract(s).

For this contract, designated base is defined as: *the aircraft's normal home base of operations listed on Bid Sheet.*

For charter purposes, the state may accept the location of the aircraft at the time of rental or the designated home base, whichever is in the best interest of the state. If the aircraft is currently at a location different from its designated home base, the state will be liable for the positioning time originating at the alternate location or the designated base, *whichever is in the best interest of the state*

5. **FLIGHT-TIME:** Payment for flight-time as measured on the aircraft's flight-meter shall be paid at the hourly rate listed by the contractor on the Bid Schedule for that aircraft, for the total amount of flight-time accumulated during the charter and rounded to the nearest 1/10th hour.
For example: if the contractor's flight-time rate for that aircraft is \$600.00 per hour, and the total amount of flight-time as measured by the flight-meter equals one hour and six minutes, the state shall pay for 1 hour and 6 minutes of flight-time, or \$660.00 (\$600.00 plus 1/10th of the flight-time rate).

For each aircraft offered on the Bid Schedule, the bidder may identify a flight-time hourly rate for charters totaling less than 24 hours and a flight-time hourly rate for charters totaling 24 hours or greater.

The minimum flight-time must not be greater than two hours. A contractor may bill the ordering agency for the flight-time hourly rate multiplied by the minimum flight-time only if the total flight-time accumulated during the charter is less than the minimum flight-time identified for that aircraft.

Failure to identify a minimum flight-time for an aircraft offered on the Bid Schedule shall be considered as no minimum flight-time for that aircraft. Minimum flight time is into allowed on charters totaling 24 hours or greater.

For this contract, flight-time is defined as: *the total amount of time, as measured on the flight-meter and expressed in hours and tenths of hours, from the moment the aircraft moves under its own power for the purpose of taking off until the moment it comes to rest at the end of flight. It does not include standby-time to load and unload equipment.*

The flight-time rate(s) listed by the contractor on the Bid Schedule shall be calculated at a Dry Rate.

For this contract, *Dry Rate* is defined as: *the hourly rate for all costs associated with an aircraft charter, including but not limited to, contractor employee costs including labor, profits, applicable taxes, airport*

usage fees, over-flight permits, de-icing, hangarage, insurance, oil, maintenance, landing fees, parking and ground handling, depreciation, salaries, overhead, and permanent shop facilities.

The dry rate does not include the cost for fuel used during the performance of services under this contract.

- 6. STANDBY TIME:** The state shall be allowed two hours of standby time to load and unload the aircraft at no additional cost. Standby time commences upon the arrival of all state cargo to the loading area and ceases upon the complete removal of all state cargo from the aircraft. It shall not be accumulated for stops involving breaks for the pilot or crew, unavailability of the aircraft, flight-time, taxi-time, fuel stops, or events not under the control of the state or the contractor, such as weather, which prevent the commencement or continuation of the flight.

For this contract, Standby Time is defined as: The condition of being in readiness or standing ready, to fly upon receipt of orders.

- 7. ADDITIONAL STANDBY TIME:** Any standby time accumulated during a charter for loading and unloading, in excess of two hours total combined, shall be paid at the Additional Standby Time hourly rate listed by the contractor on the Bid Schedule for that aircraft.

- 8. DAILY AVAILABILITY RATE:** For each aircraft offered in the Bid Schedule, the contractor shall list the Daily Availability Rate for that aircraft to perform a charter equal to or greater than 24 hours in length. The state shall pay the Daily Availability Rate for all charters 24 hours or more.

Payment for the Daily Availability Rate shall not commence until the aircraft and flight crew arrive at the site required by the state and the aircraft is available for standby. If the site required by the state is not the Designated base of the aircraft, the state shall pay for hourly flight-time and fuel, in accordance with this contract, for transportation of the aircraft from the Designated Base to the site required by the state.

On the first day, if an aircraft arrives at the site required by the state and is available for standby before 12:00pm, the contractor shall be paid the full Daily Availability Rate. If the aircraft arrives at the site required by the state and is available for standby after 12:00pm, the contractor shall be paid one-half the Daily Availability Rate.

On the last day of the charter, the contractor shall be paid one-half the Daily Availability Rate for an aircraft released from assignment before 12:00pm and shall be paid the full Daily Availability Rate for a aircraft released after 12:00pm.

Periods of unavailability of an aircraft or its equipment not caused by the state shall accumulate for the day and be rounded to the nearest full hour. Payment shall be reduced by 1/24th of the Daily Availability Rate for each hour of unavailability accumulated.

The Daily Availability Rate listed by the contractor in the Bid Schedule shall include all fixed and variable costs experienced by the contractor, including but not limited to: all contractor employee costs, including labor, profits, applicable taxes, airport usage fees, over-flight permits, de-icing, hangarage, insurance, oil, maintenance, landing fees, parking and ground handling, depreciation, salaries, overhead, and permanent shop facilities, incurred in providing continuous service.

The Daily Availability Rate excludes costs directly attributed to actual flight-time and fuel used during the performance of services under this contract.

- 9. ADDITIONAL PERSONNEL:** The state may request an additional pilot to accompany or replace the original pilot in command (PIC) during a mandatory relief period, or for a second PIC to provide 24-hour staffing for the aircraft, or for an additional mechanic to accompany or replace the original mechanic. For each aircraft offered on the Bid Schedule, the contractor shall list the Additional Personnel-Pilot rate and the Additional Personnel-Mechanic rate for that aircraft.

In the event that the additional pilot or crew is required by the state to stay overnight at a location, the state shall reimburse the contractor for the cost of meals, lodging, and transportation in support of an additional crew, in accordance with the State of Alaska, Division of Finance travel policies and procedures (AAM 60). <http://doa.alaska.gov/dof/travel/resource/rates.pdf>

Payment for additional personnel shall not commence until the personnel arrive at the site required by the state and have the aircraft available for standby.

On the first day of the charter, if the personnel arrive at the site required by the state and have the aircraft available for standby before 12:00pm, the contractor shall be paid the full Additional Personnel rate(s). If the personnel arrive at the site required by the state and have the aircraft available for standby after 12:00pm, the contractor shall be paid one-half the Additional Personnel rate(s).

On the last day of the charter, the contractor shall be paid one-half the Additional Personnel rate(s) for personnel released with the aircraft from assignment before 12:00pm, and the full applicable Additional Personnel rate for personnel released with the aircraft from assignment after 12:00pm.

10. **ADDITIONAL CHARGES:** Except for the costs identified by the contractor on the Bid Schedule and the costs identified within this contract document, the state shall not be responsible for any other charges.
11. **MULTIPLE DAY CHARTERS:** When booking multiple day charters, the contractor shall make the same pilot available for each day of the charter if requested by the state agency at the time the charter is scheduled.
12. **OVERNIGHT:** In the event that the pilot or crew is required by the state to stay overnight at a location, the state shall reimburse the contractor for the cost of meals, lodging, and transportation for each night the pilot and crew is required to remain away from the designated base in accordance with the State of Alaska, Division of Finance travel policies and procedures (AAM 60). The state is not responsible for any overnight expenses incurred because of mechanical failure or reasons caused by the contractor.
13. **AAM 60 - TRAVEL:** The Alaska Administrative Manual AAM 60 can be located at the Department of Administration, Division of Finance: http://doa.alaska.gov/dof/travel/trav_acct.html The Section on Travel will list the most current State of Alaska Travel and Per Diem rates discussed throughout this contract.
14. **FUEL CHARGES:** The state shall be responsible for the cost of aviation fuel used during the performance of services under this contract. All charges for **fuel must be considered a pass through** to the state and shall be billed at the actual fuel rate paid by the contractor at the time the aircraft is fueled immediately following the charter, and during the charter if applicable. No additional charges for profit or overhead shall be allowed. Charges for fuel must accompany any invoice and must be supported by the fuel invoice(s). Contractor will be responsible for the coordination and supply of additional fuel to remote sites if needed or requested by the purchasing agency during the scheduled charter.
15. **CANCELLATION:** For conditions not related to weather, the state reserves the right to cancel a scheduled charter 24 hours or more, prior to the scheduled departure time at no cost to the state. At the discretion of the contractor, a cancellation fee may be billed to the ordering agency if the state cancels the scheduled charter less than 24 hours prior to the scheduled departure time.

Bidders shall list their cancellation fee for each aircraft on the Bid Schedule. Failure to list the cancellation fee shall be considered as no cancellation fee for that aircraft.

The contractor may cancel a scheduled charter for weather conditions, mechanical failure, or for other conditions at the discretion of the pilot. In the event a scheduled flight must be cancelled, the contractor must notify the ordering agency immediately and be prepared to fulfill the terms of this contract as soon as conditions permit, at no additional cost to the state.

If the contractor cannot fulfill the terms of this contract as soon as conditions permit and within the time frame required by the state, the state reserves the right to contact another contractor for service.

16. CALCULATION OF PAYMENT: A charter commences upon the arrival of all state personnel and state cargo to the pick-up point required by the state and ceases upon the complete removal of all state personnel or state cargo from the aircraft at the designated base or the site required by the state. If the site required by the state for commencement of the charter is not the aircraft's Designated Base, the state shall pay the aircraft's flight-time hourly rate and fuel charges for transportation of the aircraft from the Designated Base to the site required by the state. (Repositioning)

If the contractor requires the aircraft to travel to a location other than the Designated Base after drop-off is complete, for services not related to this contract, the charter terminates at the time of drop-off.

For charters totaling less than 24 hours, the state shall be liable for payment of the flight-time hourly rate, additional standby-time hourly rate, additional personnel daily rate(s), and fuel charges. For charters totaling 24 hours or greater, the state shall be liable for payment of the flight-time hourly rate, daily availability rate, additional personnel daily rate(s), and fuel charges. Payment for the charter terminates at the time of drop-off.

If the site required by the state for the end of charter drop-off is not the aircraft's Designated Base, the state shall pay that aircraft's hourly flight-time rate and fuel charges for transportation of the aircraft from the drop-off site back to the Designated Base.

If the lowest priced aircraft that meets the state's requirements for a particular charter will not be located at the Designated Base when the state requires the charter to commence, the state reserves the right to accept the alternate location of the aircraft or select the next available aircraft or contractor.

If the alternate location requires the aircraft to travel a longer distance to the site required by the state than the distance would be from the Designated Base, the contractor must provide the state with an estimate for flight-time hours and the amount of fuel, based on the time taken under normal weather conditions for that aircraft to travel from the Designated Base to the site required by the state.

If the state accepts the alternate location, the state shall pay the aircraft's flight-time hourly rate and fuel charges for transportation of the aircraft from the alternate location to the site required by the state.

17. SERVICE AVAILABILITY: The contractor must be able to provide service at the time(s) requested by the state and subsequently scheduled by the contractor, weather permitting. Any changes to those times must be agreed to by the state, and any pick-up or delivery made other than those agreed times may be refused, at no cost to the state.

The state shall not expect the contractor to make departures or arrivals that the pilot determines do not allow for safe operating procedures. In these instances, service must be provided at the next available opportunity, weather permitting.

The state shall not be liable for any charges if the service is no longer required by the state because of a weather-related delay prior to the commencement of a charter.

18. UNAVAILABILITY: If an aircraft is rendered unavailable for reasons including, but not limited to, delivery delays, maintenance, or an FAA airworthy directive, the contractor may furnish a substitute aircraft for the period of unavailability as long as it meets all requirements of this contract and is offered at the same hourly/daily rates as the original aircraft.

If an aircraft becomes unavailable during a charter, the contractor must furnish a substitute aircraft in accordance with the above substitution requirements and within the timeframe required by the state. If the contractor cannot supply a substitute aircraft within the required timeframe, the state reserves the right to release the contractor from service and contact another contractor. The state shall be liable to the original contractor only for payment of services provided before the time of release.

Transportation of an unavailable aircraft, regardless of the location in Alaska, shall be the responsibility of the contractor at no cost to the state.

19. PERMANENT AIRCRAFT REPLACEMENT: In the event that an aircraft (airplane or helicopter) is rendered unavailable or inactive for any length of time, the contractor may furnish a permanent substitute aircraft for the remainder of the contract as long as the replacement aircraft meets all the requirements of the contract, meets or exceeds the minimum specifications of the replaced aircraft, and is offered at the same hourly/daily rates as the original aircraft. The contractor must submit documentation that the replacement aircraft meets the minimum specifications of the replaced aircraft. A request to permanently replace an aircraft for the remainder of the contract must be approved by the contracting officer prior to the use of the replacement aircraft for services performed under this contract.

20. SHIPPING/EQUIPMENT DAMAGE: The contractor shall be responsible for any state cargo damaged in shipment caused by the contractor and shall be responsible for reimbursement of the loss. When damaged cargo is received, the state shall provide the contractor written notice within 10 days of the end of the charter.

21. LOADING AND UNLOADING: The contractor shall be responsible for loading and unloading all state cargo and must provide all necessary equipment for loading and unloading. The state is responsible for delivering the cargo as close to the loading area as permitted. The contractor is responsible for unloading the cargo as close to the pick-up point as the location permits.

If the loading and unloading requires an additional cost, the contractor may charge the state the actual cost of the service as a pass-through charge. No additional charges for overhead or profit shall be allowed.

22. ADVANCED NOTICE OF DELIVERY: If the delivery of cargo cannot be made at the scheduled time due to the cancellation of a flight, the contractor must contact the ordering agency immediately to reschedule the delivery and provide the ordering agency with an advanced notice of delivery. Failure to provide the ordering agency with an advanced notice of delivery may result in the rejection of the delivery, at no cost to the state.

23. OPTIONAL EQUIPMENT: For each make and model of aircraft offered, the bidder must indicate on the Bid Schedule the optional equipment available for that aircraft. If available for the aircraft that is selected by the state for a charter, the state may request the optional equipment at no additional cost.

Throughout the life of the contract, all equipment must be in good repair, capable of performing the work for which it was designed in accordance with current FAA regulations, and used in accordance with current FAA regulations. The contractor shall be prepared to show documentation of these requirements upon request by the state.

24. HAZARDOUS MATERIALS: The transportation of hazardous materials is not a requirement of a contract resulting from this ITB, however, the state may require the transportation of hazardous materials. If a successful bidder is willing to transport hazardous materials, the state shall be entitled to use those services at its discretion.

Bidders must indicate on the Bid Schedule whether or not they are willing to transport hazardous materials.

For this contract, a hazardous material is defined as: *a substance or material which has been determined by the U.S. Secretary of Transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce. Known hazardous materials are listed in the Hazardous Materials Table, 49 CFR 172.101.*

25. MAINTENANCE REQUIREMENTS: All aircraft performing services under this contract shall be fully maintained by the contractor in accordance with current FAA regulations and the manufacturer's

specifications and recommendations. The state shall not be responsible for any costs associated with aircraft or equipment breakdown.

The contractor shall perform and furnish all inspections, overhauls, repairs, lubricants, servicing, licenses, registration fees, and any other operational expenses at no cost to the state. The contractor shall also have an adequate supply of repair or replacement parts that are most frequently used on the aircraft, in addition to all tools and special equipment recommended by the manufacturer for maintenance of the aircraft.

- 26. ACCIDENT REPORT:** Any aircraft accident or incident that occurs during the performance of services under this contract must be reported by the contractor to the contracting officer within 15 calendar days of the accident or incident. Failure to report the accident or incident may cause the state to cancel the contract, at no fault of the state.

For this contract, an aircraft accident is defined as: *death or serious injury to any person as a result of being on, near, or in contact with the aircraft, substantial damage to the aircraft as defined by the National Transportation Safety Board (NTSB), flight control system malfunction or failure, engine failure or damage, aircraft collision, and aircraft disappearance.*

For this contract, an aircraft incident is defined as: *an occurrence other than an aircraft accident, associated with the operation of an aircraft, which affects or could affect the safety of operations.*

REQUIRED LICENSING AND CERTIFICATION

- 1. ALASKA BUSINESS LICENSE:** Prior to the award of a contract, a bidder must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaskans with Disabilities Preference; a bidder must hold a valid Alaska business license at the time designated for bid opening. Bidders should contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing for information on these licenses.

Website: <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing.aspx>
Juneau Phone: (907) 465-2550 Anchorage: (907) 269-8160
Email: license@alaska.gov

Acceptable evidence that the bidder possesses a valid Alaska business license may consist of any one of the following:

- (a) copy of an Alaska business license;
- (b) certification on the bid that the bidder has a valid Alaska business license and has included the license number in the bid (**see Attachment 1**);
- (c) a canceled check for the Alaska business license fee;
- (d) a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- (e) a sworn and notarized statement that the bidder has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time bids are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

At the time designated for bid opening, all bidders must hold any other necessary applicable professional licenses required by Alaska Statute.

- 2. REQUIRED CERTIFICATES:** The contractor, aircraft, and appropriate employees must have and maintain all required certifications from the Federal Aviation Administration (FAA) to perform the services required by this contract. All certifications shall adhere to Title 14 of the Code of Federal Regulations (14 CFR) and all applicable Federal Aviation Regulations (FAR), Parts and Sub-Parts under 14 CFR.

The following certifications are required:

- **Air Carrier Certificate of Compliance**, issued by the Department of Transportation, Air Carrier Compliance program and required by law to perform services in Alaska.
- **Standard Airworthiness Certificate** issued by a FAA Aviation Inspector or authorized Representative of the Administrator as defined in 14 CFR 183.
- **FAA Operating Certificate** - with Rotorcraft External-Load Operator

Certifications are to be provided with the bid. All certifications must be current at the time they are provided and must be kept current throughout the life of the contract. Failure to supply the certifications within the time required shall cause the state to determine the bidder non-responsible and reject the bid, terminate the contract, or consider the contractor in default.

GENERAL REQUIREMENTS

- 1. GENERAL REQUIREMENTS:** All services performed under this contract shall adhere to Title 14 of the Code of Federal Regulations (14 CFR) and all applicable Federal Aviation Regulations (FAR) Parts and Sub-Parts under 14 CFR, including those portions applicable to civil aircraft and State of Alaska Law. Services must include, but not be limited to, the transportation of state cargo to all areas within the State of Alaska.

The contractor shall ensure that all employees engaged in the performance of services under this contract are thoroughly familiar with its requirements. The security of any aircraft shall be the responsibility of the contractor. The contractor shall not permit any private passenger to come on-board, in contact with, or near the aircraft during performance of any services under this contract.

Aircraft under charter shall be subject to the exclusive use and control of the state during the entire period of the charter. The security of any helicopter shall be the responsibility of the contractor.

Upon request by the state, the contractor must make available for inspection any aircraft, its equipment, and certifications, for matters of safety and contract compliance. Inspection(s) must be made available within the time specified by the state. Aircraft under charter shall be operated and maintained by the contractor.

The state reserves the right to release a contractor during charter and procure an alternate contractor at any time if the first contractor does not adhere to all requirements and specifications of this contract. The first contractor may be responsible for additional costs associated with the state procuring the alternate contractor. The state shall only be liable to the first contractor for payment of services provided before the time of release.

The State reserves the right to request supplemental information from the respondent, after the responses have been received and throughout the course of the contract, to ensure compliance with the solicitation requirements. The requirement for such supplemental information will be at the discretion of the State. Failure to provide this supplemental information within the time set by the State may cause the state to reject the bid, terminate the contract, or consider the contractor in default.

Failure of a contractor to adhere to all requirements and specifications of this contract may cause the state to cancel the contract, at no cost to the state.

- 2. MECHANICAL CONDITION:** During the contract term, the contractor must maintain the aircraft in an airworthy condition in accordance with the FAA Regulations and the manufacturers recommendations. Failure to do so will result in cancellation of the contract at no fault of the state.

3. MECHANIC REQUIREMENTS: All mechanics performing services under this contract, in addition to holding an FAA Mechanic Certificate with Airframe and Powerplant ratings, must meet the following requirements:

- Shall have a FAA Mechanic Certification that has not been suspended or revoked in the past 10 years;
- Shall have been actively engaged in aircraft maintenance as a certified mechanic for at least 18 months immediately preceding any services performed under this contract.
- Shall have been actively engaged in maintaining aircraft for three or more consecutive months during the 12- month period immediately preceding any services performed under this contract.
- Shall have satisfactorily completed a manufacturer's maintenance course or equivalent contractor's training program for the make and model of a aircraft offered for services under this contract, or have 12 months of experience maintaining a aircraft of the same make and mode
- Shall be prepared to show evidence of maintaining a aircraft under field conditions for at least one full season (June through August) or for three consecutive months away from the contractor's base of operation with minimal supervision.
- If under charter, shall be available at the aircraft's Designated Base or alternate location to service and inspect the aircraft, monitor telephones or radio equipment, or both, while the aircraft is flying, and initiate search and rescue operations if needed.

No pilot shall perform maintenance for which an FAA Mechanic Certificate is required, unless the pilot meets the Mechanic Requirements of this section.

For charters less than 24 hours, inclusion of a mechanic in the field is at the discretion of the state. A request for a mechanic will be made at the time a charter is requested and billed as an additional personnel mechanic.

4. DEFINITIONS:

- Positioning – Time estimated for an aircraft to travel to the trip departure position.
- Incident – An occurrence other than an accident, associated with the operation of an aircraft, which affects or could affect the safety of operations.
- Mountainous Terrain – Areas of rugged peaks, deep canyons, cliffs, rock outcroppings, steep slopes, including landing on mountain tops and confined areas surrounded by trees, brush, rocks, snow and ice.
- Ordering Agency – State of Alaska Executive Branch Agencies including governmental entities such as the Alaska Legislative Branch, the Alaska Court System, the University of Alaska, Boards and Commissions, and all State of Alaska political subdivisions – cities, boroughs and school districts.
- Project Manager – An official representative of an ordering agency authorized to act on its behalf.
- Public Use Aircraft – Defined as per Title 49 United States Code, Section 40102(a)(41).

INVOICING AND PAYMENTS

- 1. PRICE DECREASES:** During the period of the contract all price decreases experienced by the contractor must be passed on to the state. A contractor's failure to strictly and faithfully adhere to this clause, within the time required, will be considered in breach of contract.
- 2. PAYMENT FOR STATE PURCHASES:** Payment for agreements under \$500,000 for the undisputed purchase of goods or services provided to a state agency, will be made within 30 days of the receipt of a proper billing or the delivery of the goods or services to the location(s) specified in the agreement, 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.

3. **INVOICING/BILLING INSTRUCTIONS:** Invoices must be sent directly to the Ordering Agency's address shown on the individual Purchase Order or Delivery Order. The ordering agency will only make payment after the service is completed and they receive an invoice which identifies both the **Contract Number** and the **Purchase/Delivery Order Number**. Questions concerning payment must be addressed to the ordering agency. Payment shall be made as authorized by the state and in accordance with the terms and conditions of this contract.