

Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport

Cyfarwyddwr Cyffredinol • Director General



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

6 October 2014

Dear Mr Millar

**Response to the National Assembly for Wales Public Accounts Committee on the
Intra-Wales Cardiff to Anglesey Air Service**

Thank you for your letter of 23rd September. I have, as requested, enclosed a copy of the Terms of Reference of the review completed in July by ARUP and also a copy of the Invitation to Tender. I would draw the Committee's attention to Part 2C Point 2, which has been included to allow innovation in the tender in terms of potential provision of other routes.

Yours sincerely

James Price

REVIEW OF THE INTRA WALES PSO AIR SERVICE

TERMS OF REFERENCE

Purpose:

To undertake independent market testing and explore demand for the existing and potential future provision of an Intra Wales PSO Air Service.

To provide market testing for an intra Wales air service covering north and south Wales
To make recommendations and provide advice to Welsh Ministers on the findings of the review

To review existing provision of the intra Wales PSO Air Service

To review the value for money of the service and

To identify the wider economic benefits of the service.

A phase 1 review of the service was undertaken and reported to Welsh Government on March 2014 by ARUP Consulting. The report provides a preliminary assessment of the Air Service based on passenger and financial data since 2007 and makes recommendations for the scope of a second phase review.

Background:

The Intra Wales Air Service provides twice daily weekday flights between north and south Wales between RAF Valley, Anglesey and Cardiff. The Air Service has been designated by the UK Government as a PSO (Public Service Obligation) which allows the Welsh Government to provide financial support to sustain the service.

The service has operated in Wales since 2007, and is currently delivered by Citywin who provides ticketing and marketing functions. Links Air hold the operating license. The current contract expires December 2014. The Welsh Government is continuing its review of the service and this second phase scoping exercise will be used to inform future strategy should the Welsh Government decide to continue its support for the service.

Scope:

ARUP Consulting has been contracted to undertake an independent review of market conditions for the intra air service in Wales. The provider should explore and make suitable recommendations for the future of the PSO in Wales.

Considerations include, but are not limited to

Economic impact and opportunities
Social and political cohesiveness between North and South Wales
Marketing commercial opportunities
Marketing market investment
Marketing tender interest bidders
Stakeholder and customer engagement

Review of fares policy
Alignment with existing Welsh Government policies and priorities e.g. environment and sustainability
Connectivity
Relations for PSOs and
Resilience
Data handling

Timescale:

The work is due to be completed by July 2014.

THE WELSH MINISTERS

INVITATION TO TENDER

PROVISION OF PSO AIR SERVICE BETWEEN CARDIFF AIRPORT AND RAF VALLEY

CONTENTS TABLE

	Foreword
Part 1	Instructions to Tenderers
	1. Introduction
	2. Definition of Terms
	3. Guidance and Compliance
	4. Requirement
	5. Submission Procedures
	6. Documentation to be submitted
	7. Membership and Eligibility
	8. Terms and Conditions of Contract
	9. Commencement/Duration
	10. Amendments to the ITT
	11. Tender Validity
	12. Contractual Commitment of Tender
	13. Evaluation Procedure
	14. Indicative Timetable/Key Dates
	15. Communications
	16. Freedom of Information
	17. Confidential Information
Part 2	Service Requirements
Part 3	Important Note to Tenderers
Part 4	Document Checklist
Part 5	Form of Tender
Part 6	Certificate as to Canvassing
Part 7	Certificate of Non-Collusive Submissions
Part 8	Terms and Conditions of Contract

FOREWORD

This Invitation to Tender (“ITT”) is being made available only to those parties who have expressed an interest to be invited to tender for the Project. It is made available on the condition that it is used in connection with the Project and for no other purpose whatsoever.

Whilst reasonable care has been taken in preparing the ITT, neither the Welsh Ministers, (hereinafter “the Ministers”) nor any of its advisers accepts any liability or responsibility for the adequacy or completeness of any information or opinions stated in this ITT. No representation or warranty, express or implied, is or will be given by the Ministers or any of its representatives, employees, agents or advisers with respect to the information contained in the ITT or on which the ITT is based, nor with respect to any written or oral information made, or to be made available to any interested recipient or their professional advisers, and any liability for such matters is hereby expressly excluded.

Each person to whom the ITT is made available must make their own independent assessment of the obligations and risks associated with this Project after making such investigation and taking such professional advice as they deem necessary to determine their interest in the Project.

The information contained in the ITT and any further information provided by the Ministers or their advisers (“the Information”) is made available on the understanding that it will be kept confidential by the Tenderers and their advisors.

Copyright to this ITT rests with the Ministers and their appointed advisors. This ITT may not either in whole or in part be copied, reproduced, distributed or otherwise made available to any other third party without the prior written consent of the Ministers except in relation to the preparation of a Tender submission for the Project. All documentation supplied by the Ministers in relation to this ITT is, and shall remain, the property of the Ministers and must be returned on demand, without any copies being retained.

The Information is released to Tenderers on condition that it will be used solely for the purposes of submitting Tenders in response to this ITT. Furthermore it is a condition of bidding that Tenderers comply with the confidentiality obligations comprised herein. The Information must not be copied, reproduced, distributed or passed to any other person at any

time except to the Tenderer's team of advisors and then only to the extent that they have undertaken similar confidentiality obligations to the Tenderer in respect thereof.

Tenderers are expressly forbidden from discussing with any other Tenderer their responses to this ITT or otherwise exchanging information or colluding in respect of the Project.

Similarly Tenderers are expressly forbidden from canvassing the Ministers, the Welsh Government or its employees or advisors so as to obtain an unfair advantage. Tenderers should note the requirements for the submission of an Anti-Collusion Certificate (Part 7).

This ITT is not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Ministers to any recipient of the ITT.

Nothing in this ITT is, or should be relied upon on as, a promise or representation as to the future. The Ministers reserve the right to provide the Tenderers with access to any additional information or to update information or to correct any inaccuracies, which may become apparent.

Each Tenderer shall be solely responsible for all the costs it incurs in the preparation and submission of its Tender up to and including the award of any contract by the Ministers. This shall also be deemed to cover the cost of attending any pre or post award meetings and site visits, and, should a Tenderer be successful, the preparation/engrossing of the contract documents. The Ministers shall in no event be responsible or liable for any such costs regardless of the conduct or outcome of the bidding process, and in this respect, the Tenderer shall have no recourse to the Ministers.

In so far as is compatible with any relevant laws, the Ministers reserve the right, without prior notice, to vary the procurement process, to terminate discussions with all or any of the Tenderers and the delivery of information at any time before the signing of any agreement relating to the Project and they are not obliged to award any contract at the conclusion of the procurement process. In no circumstances will the Ministers incur any liability in respect of the foregoing.

PART 1

INSTRUCTIONS TO TENDERERS

1. INTRODUCTION

- 1.1 The statutory Wales Transport Strategy sets out the outcomes that the Welsh Government wants to achieve through transport and established the framework for the creation of an integrated transport system in Wales.
- 1.2 The current National Transport Plan sets out solutions to transport issues along the main movement corridors in Wales. On the North – South corridor, the Intra - Wales air service was identified as a key intervention.
- 1.3 The provision of a scheduled air service between Cardiff Airport (Cardiff) and RAF Valley (“the PSO Services”) is currently operating a twice daily schedule, operating early in the morning and late in the afternoon. The PSO Services relate to a Public Services Obligation (PSO) which was revised in July 2010. The current PSO expires on 9 December 2014. The PSO Service is currently being provided by Citywing Aviation Services Limited and Links Air Limited under arrangements which will come to an end on that date.
- 1.4 In recognition of the importance of the PSO Services, compensation is made available by the Ministers (as defined hereinafter) under the PSO agreement to meet the deficit incurred by an operator in providing the PSO Services. However, in making provision for compensation the Ministers would expect Tenderers to identify ways in which the compensation deficit can be minimised and, if possible, be reduced over the life of the contract.

2. DEFINITION OF TERMS

- 2.1 For the avoidance of doubt, the following definitions used in this document are included below.
 - “Confidential Information” – means all information supplied by the Ministers to a Tenderer whether in writing, verbally or in any other form, directly or indirectly from or pursuant to discussions with such Tenderer or which is obtained through

observations made by such Tenderer which is designated by the Ministers as confidential or which is otherwise of a confidential nature..

- “Contract” – means the Terms and Conditions of the Contract as set out in Part 8 of this ITT.
- “Invitation to Tender” – means all of the documentation and information made available to Tenderers to enable them to prepare a Tender for the Project, including the ITT.
- “ITT” – means the Invitation to Tender (see above).
- “ITT Updates” means updated information issued by the Ministers to Tenderers containing details of amendments to the ITT or further information in respect of the project.
- “Ministers” – the Welsh Ministers, the contracting authority.
- “Project” – refers to the operation of the proposed airline services between Cardiff Airport and RAF Valley.
- “PSO Service(s)” - means the service(s) to be provided by the successful Tenderer pursuant to the terms of the Contract, as described in this ITT.
- “Service Requirements” – refers to the Ministers’ requirements at Part 2 of the ITT relating to the provision of the PSO Services.
- “Tender” – means the tender proposal submitted by the Tenderers in response to the requirements contained in this ITT.
- “Tenderer” – includes any person to whom this ITT is addressed and any person who proposes to enter, or, enters a tender proposal for the services.
- “VAT” – means value added tax as applied by the Inland Revenue.

3. GUIDANCE AND COMPLIANCE

3.1 Tenderers should read the instructions set out herein carefully before submitting a response to this ITT. Failure to comply with these requirements for completion and

submission of the Tender response may result in the rejection of the Tender response. Tenderers are therefore advised to acquaint themselves fully with the instructions and conditions set out in this ITT.

3.2 The Ministers require adherence to all instructions and conditions within this ITT from each of the Tenderers and the participation in the tender process by each Tenderer shall be construed as unqualified acceptance of such obligations by and on behalf of the Tenderer.

4. **REQUIREMENT**

4.1 The Ministers are seeking to procure the services of an airline operator to provide a scheduled air service between Cardiff Airport and RAF Valley on Anglesey. The specification relating to the provision of the PSO Services is detailed in Part 2 of this ITT (PSO Service Requirements).

4.2 The Ministers do not accept any responsibility for the accuracy or validity of Part 2 and shall not be liable for any error, discrepancy or omission therein.

4.3 A single contract shall be awarded to one Tenderer as a result of this ITT and such Tenderer shall provide the PSO Services contemplated by this ITT.

4.4 **IMPORTANT:** In the event that no Tender is evaluated as a fully compliant bid, the Ministers reserve the right to negotiate with the Tenderer scoring the highest score to see if a compliant bid can be achieved. If this cannot be achieved, the Ministers may, at their sole discretion, choose to negotiate with the second highest scoring Tenderer, and then further Tenderers (at their discretion). Should these steps fail or should no Tender be received, the Ministers reserve the right to consider and adopt all other options available to it including, but not limited to, entering into direct negotiation with a single selected service provider.

5. **SUBMISSION PROCEDURES**

5.1 A complete response to the Tender must be submitted through the Welsh Government's electronic tendering portal by the closing time and date noted below.

10th October 2014 at 14.00hrs

- 5.2 The Tenderer is required to submit the Tender in the English language and, where appropriate, must provide certified English translations of relevant documents attached in support of the Tender.
- 5.3 Late Tenders may, at the Ministers' discretion, be excluded from further consideration.
- 5.4 Any enquiries/clarification must be submitted in accordance with paragraph 15 of this ITT. Note that the window for submitting enquiries/clarifications is restricted to the period:

3rd October at 14.00hrs

- 5.5 In the event that the Tenderer decides not to provide a Tender response, then the Tenderer is required to return all ITT documentation to the Ministers and confirm in writing that the Tenderer has not retained any of the documentation. All documentation is to be returned no later than the date specified above.
- 5.6 It is essential that the Tender is based upon firm proposals that are capable of delivery. The Tender should only include proposals that are firmly guaranteed and committed as part of the Tender. Tenderers should not leave matters open for discussion but must give a full and detailed response to the Ministers' requirements.
- 5.7 All requested elements within the Qualification, Technical and Commercial Envelopes of the electronic tender must be fully completed with all information requested provided in direct response to specific question on the portal or information requested within this tendering documentation. Failure to provide the required information will be taken into consideration and may result in your tender being deemed non compliant and your tender rejected.
- 5.8 The Tenderer shall provide the full legal name and registered office of the Tenderer and the Tender shall be signed, dated (and duly witnessed) with the usual signature of the person or persons authorised to legally bind the Tenderer.
- 5.9 Where a joint venture/consortium or sub-contracting approach is proposed, all Tender information requested should also be provided in respect of joint venture/consortium

members or sub-contractors who will play a significant role in the delivery of the PSO Services under any ensuing contract. For the purposes of this ITT a significant role is where a joint venture/consortium member or subcontractor is proposed to deliver 10% or more of the Service Requirement. Responses must enable the Ministers to assess the overall service proposed. Tenderers should note that in the case of consortium approach the Ministers will require that the liability of the joint venture/consortium members shall be joint and several. In the case of a sub-contractor approach the Ministers will require a collateral warranty from the proposed sub-contractor/s.

- 5.10 Tenderers MUST (in relation to the pricing proposed) not exceed the Ministers' financial envelope for the PSO Services (see Part 2 A paragraph 1.5 for (*Service Requirements*)).

6. **DOCUMENTATION TO BE SUBMITTED**

- 6.1 Please refer to Document Checklist and Form of Tender (Parts 4 and 5 of this ITT) .

7. **MEMBERSHIP AND ELIGIBILITY**

- 7.1 The Ministers must be notified in writing of any change in the control, composition or membership of a Tenderer that has taken place subsequent to the submission of the Tender response.
- 7.2 Similarly, the Ministers must be notified in writing of any changes that have been made to any nominated sub-contractors. The Ministers reserve the absolute right to withhold approval for any such changes and to disqualify the Tenderer concerned from any further participation in the procurement process.

8. **TERMS AND CONDITIONS OF CONTRACT**

- 8.1 The terms and conditions of contract shall be those contained in Part 8 of the ITT (*Terms and Conditions of Contract*). In order to be compliant, save for matters of clarification or fine tuning of a non material nature to ensure consistency, Tenders shall be based on the terms of the Contract without amendment. Tender submissions which seek to amend or negotiate any material terms of the Contract will be deemed non compliant and excluded from further participation in the procurement process.

9. COMMENCEMENT/DURATION

9.1 It is the intention of the Ministers that any award of Contract resulting from this ITT will be for a term of four (4) years, the anticipated commencement date being on the 10th December 2014.

10. AMENDMENTS TO ITT

10.1 Throughout the procurement, the Ministers may issue ITT Updates, which will be identified by a number and the date.

10.2 Such Updates will contain details of any amendments to the ITT, together with any further information, which may assist Tenderers in the preparation of their Tender submissions. No statements issued by the Ministers in relation to the Project shall be relied upon unless subsequently ratified by an ITT Update.

10.3 The Ministers reserve the right to make amendments to the ITT at any time up to the award of the Contract.

10.4 Any amendments made will be issued through the messaging facility within the electronic tendering portal.

10.5 Any supplier queries or clarifications must be made through the messaging portal. The Ministers will make any response available to all tenderers through the messaging portal.

11. TENDER VALIDITY

11.1 Any proposal submitted by the Tenderer shall remain valid and open for acceptance by the Ministers for a period of not less than 180 days from the Tender return date.

12. CONTRACTUAL COMMITMENT OF TENDER

12.1 Except for manifest error or as may otherwise be expressly agreed by both the Ministers and the Tenderer, the contents of submitted Tenders will be deemed to be binding upon the Tenderer and open for acceptance by the Ministers for the duration of the validity period as set out in paragraph 11 above. Therefore, Tenderers are cautioned to verify their proposals before submission to the Ministers. The Ministers

reserve the right, at their absolute discretion, not to accept any Tender submitted in response to this ITT.

12.2 Prior to submitting its Tender, it is the Tenderer's responsibility to ensure that all proposed suppliers and sub-contractors are fully aware of all the technical, commercial and legal requirements relating to this procurement.

13. **EVALUATION PROCEDURE**

13.1 Each Tender will be reviewed, evaluated and scored applying the evaluation criteria set out in this paragraph 13.

13.2 The Tenderer should ensure that all information that is requested within this ITT is included within the Tender proposal. To aid evaluation of its Tender, the Tenderer should cross-reference its proposal in accordance with any numbering that is used within this ITT. Where information has been requested and not submitted and where a Tender document is not clearly referenced, this will be taken into consideration as appropriate when performing the Tender evaluation exercise.

13.3 **IMPORTANT** - following receipt of the Tenders, they will be evaluated in two phases and in accordance with scoring / evaluation methodology set out below.

13.4 Phase 1 - Tenders will be subject to an initial screening to ensure that they comply with the Ministers minimum requirements. Any Tenderer which registers a 'non – compliant' response to ANY question will be excluded from further participation in the procurement process. Tender submissions that register 'compliant' responses to ALL questions will proceed to Phase 2 of the tender evaluation process. Details of the Phase 1 questions / information required from Tenderers are set out in Part 2 D (*Tender Information to be Submitted*) of this ITT.

13.5 Phase 2 – will consist of a two stage evaluation process. Tenders will be scored on both quality and financial information submitted in response to the questions set out in Part 2 D (*Tender Information to be Submitted*).

13.6 Quality - Quality issues have been broken down into various criteria/ sub-criteria, with relative weighting (marks out of 100) and sub-weightings allocated as indicated. Evaluation will be based on an assessment of information provided in response to each

weighted section as indicated. The information will be assessed by reference to the extent that it evidences that the Tenderer: has experience in providing services similar to those required by the Welsh Ministers; and/or can provide the services in accordance with the Welsh Ministers' requirements (which shall include the requirements set out in this ITT, and any requirements of relevant legislation, regulatory guidance, codes of practice, and/or best industry practice). The information provided will be evaluated by applying the scoring matrix detailed in the Tender Quality Assessment document which can be found in the Attachments section of this tender.

- 13.7 Financial - financial scoring will be assessed on the total subsidy required (as expressed in Tender submitted) to provide the PSO Services. The Tenderer with the lowest bid will receive 100 marks with those above (the lowest bid) pro-rated by a deduction of one mark for every 1 % above lowest bid.
- 13.8 The scores achieved in respect of the Quality / Financial Sections will be combined using a weighting ratio of 70:30. The winning Tenderer is the one who has achieved the highest overall score in the evaluation process.
- 13.9 The Ministers will then, as appropriate, enter into a contract with the successful Tenderer on the terms and conditions of Contract referred to at Part 8.

14. **INDICATIVE TIMETABLE / KEY DATES**

- 14.1 An indicative timetable/ key dates for the Tender evaluation procedure (all of which are subject to confirmation and/or change at Ministers' sole discretion) are as follows:

Date	Activity
Week commencing 11th August 2014	Issue of ITT documents
14.00 hours on 10th October 2014	Return of Tenders
No earlier than 3rd November 2014	Select successful Tenderer, clarify and/or confirm commitments in Tender (Provisional)
	Formal execution of contracts
10th December 2014	PSO Services Commence

15. COMMUNICATIONS

15.1 All enquiries associated with this ITT must be made through the messaging facility within the e-tendering portal. Except where the response to an enquiry relates to commercially confidential matters, the Ministers will copy their response to all participating Tenderers.

16. FREEDOM OF INFORMATION

16.1 Tenderers are reminded that the Ministers are subject to the requirements of the Freedom of Information Act 2000 (“FOIA”) and the Environmental Information Regulations 2004 (“EIR”). Accordingly the Ministers may be required to disclose, on request, information submitted to it by Tenderers in connection with this tender. Information may be exempt from disclosure under FOIA where its disclosure would be likely to prejudice the commercial interests of any person but the Ministers can give no assurances as to whether or not information received from Tenderers in connection with this Tender would be disclosed in response to a request made under FOIA.

16.2 In the event that such a request is received by the Ministers, the Ministers shall, in accordance with its obligations under the Code of Practice made under section 45 FOIA, consult with any party whose interests are likely to be affected by disclosure. However the Ministers shall be responsible for determining at their absolute discretion whether any such information is exempt from disclosure in accordance with the provisions of the FOIA, the EIR or any other relevant legal requirements.

16.3 Tenderers are also reminded that the Ministers are required to provide the European Commission with certain information under Council Regulation (EC) No 1008/2008 and, in accordance with that Regulation, may be requested to communicate Tender submissions to the European Commission.

17. **CONFIDENTIAL INFORMATION**

17.1 Each Tenderer shall hold in confidence any Confidential Information, provided that such Tenderers shall not be restricted from passing such information to its professional advisers, its proposed sub-contractors and funders (subject to obtaining appropriate confidentiality restrictions) but only to the extent necessary to enable it to prepare its Tender submission.

17.2 Any Confidential Information held by any Tenderers must be returned upon the demand of the Ministers. The Ministers will not refund return postage if required to be sent by post.

PART 2 A

SERVICE REQUIREMENTS

1. BACKGROUND

- 1.1 Most of the population in Wales lives along the coastal strips in the north and south of the country, with the main transport links operating along the east – west axis (the so-called M4 and A55 corridors). Mid Wales is sparsely populated with difficult terrain, and north-south transport links are relatively poor.
- 1.2 The PSO Services allow the possibility for day-return journeys between North West and South Wales, an important requirement for business travellers. Good air links are essential to support economic development, as well as enhancing the economic, social and political cohesiveness of Wales.
- 1.3 The Ministers consider that the PSO Services are in the public interest, given the extent of the economic and social benefits. The Ministers intend to impose a further PSO in respect of the PSO Services commencing on the expiry of the existing PSO.
- 1.4 The Ministers wish to procure an air carrier to provide the PSO Services for a four year period commencing on 10th December 2014 and terminating on 9th December 2018.
- 1.5 **NOTE** – the Ministers have allocated an annual budget range of £1,000,000 to £1,300,000 (£1m to £1.3m) for the provision of the PSO Services (including any additional services – (see Part 2 C paragraph 2 (*Operational Requirements of the Services*))). Pricing proposals submitted by Tenderers that exceed this financial envelope will be deemed non compliant and excluded from the tender process.
- 1.6 The successful Tenderer shall be required to observe all conditions, restrictions and/or obligations in relation to the operation of the PSO Services as are set out in the documents referred to in 1.8 below and shall be deemed to have taken into account all issues to which they give rise.
- 1.7 The Ministers are interested in improving transport connectivity within and to/from Wales and are interested in other aircraft services that Tenderers may already provide

or may be planning that have synergies with the PSO service. While not forming part of the tender or the PSO, tenderers may describe additional services on other routes offering synergies with the PSO; however, no element of subsidy will attach to those additional services

1.8 Tenderers should note the annexes to Part 3 (Important Note To Tenderers) setting out the following:

- the RAF Operational Requirements,
- Cardiff Airport Operational Requirements,
- contract between the Crown and Isle of Anglesey County Council for the provision of airport services at RAF Valley,
- the Lease agreement and Deed of Rectification between the MoD and Isle of Anglesey County Council, relating to the terminal building, associated car park, and aircraft parking rights.

PART 2 B

RAF VALLEY OPERATIONAL INFORMATION

1. Operational information for RAF Valley and Cardiff Airport are included in Annex A to Part 3. The following is a brief summary of RAF Valley operational information:
2. Royal Air Force (RAF) Valley is a military, high-intensity, flying training aerodrome, which operates from 08:00 to 18:00 on Monday to Thursdays and from 08:00 to 17:00 on Fridays. It is tasked with the training of combat pilots for the Royal Air Force (RAF) and Royal Navy (RN), the training of helicopter Search and Rescue (SAR) crews for the RAF and accommodates an operational SAR flight utilising the Sea King helicopter.
3. As a training facility, RAF Valley does not operate over weekends, public holidays and other holidays, when the airfield will be closed. An example of how RAF Valley may profile its opening schedule is as follows:
 - Easter: Closed for Public Holidays and Maundy Thursday
 - Early May Bank Holiday: Closed for Public Holiday
 - Late May Bank Holiday: Closed for Public Holiday
 - August Bank Holiday: Closed for Public Holiday and one additional day
 - Christmas and New Year: Closed from 21 December, reopening on 4 January.
 - A small number of non-weather related, additional closure days may be added at short notice but are unlikely to exceed two to three days.
 - Permitted aircraft movements will take place within the period from 08:00 to 18:00 on Monday to Thursdays and from 08:00 to 17:00 on Fridays.

PART 2 C

OPERATIONAL REQUIREMENTS OF THE SERVICES

Minimum Tender Requirements

1. A minimum of two daily return flights between Cardiff Airport and RAF Valley on each day from Monday to Friday. No services are required to operate on Saturday and Sunday.
2. Additional flights on the PSO route may be operated with the prior consent of the Welsh Government. Where such consent is granted, any such additional flights must be in addition to the minimum requirements as outlined and must themselves also comply with the Operational Requirements of the Services. Any such additional services will be subject always to the Ministers maximum allocated budget for the PSO Services and will only attract a subsidy if and to the extent that the Welsh Ministers agree;
3. Total capacity per one-way flight of no more than 19 passenger seats (See also, Part 3 paragraph 2.1, Important Note to Tenderers);
4. Flights must be non-stop;
5. Standard Rotations / Timings
 - Timings must be scheduled within RAF Valley's opening hours of 08:00 to 18:00 on Monday to Thursday, 08:00 to 17:00 on Friday. Note that early closure on Friday restricts the ability to offer later services.
 - First departure from Cardiff no later than 08:00.
 - First departure from RAF Valley no later than 09:00.
 - Last departure from RAF Valley no earlier than 17:00 Monday to Thursday and no earlier than 16:00 on Friday.

6. Fares prices may be set by the Service Provider, but are always subject to the prior written consent of the Welsh Ministers. (See also, Part 3 paragraph 2.1, Important Note to Tenderers);
7. Ability to start operations on 10th December 2014.
8. The flight crew used in the operation of the PSO must be fully trained and licensed on the type of aircraft employed.
9. The aircraft type must be compatible with the level of fire cover provided at RAF Valley.
10. The operator must comply with the Department for Transport's *Access to Air Travel for Disabled Persons and Persons with Reduced Mobility – Code of Practice*.
11. Check-in must remain open until at least 30 minutes before scheduled departure times.
12. Both (i) sales and promotional literature and (ii) a website must be provided in the medium of Welsh as a mandatory requirement. In addition, a Welsh language operator for call centre customers must be provided.
13. A marketing strategy must be developed to increase awareness of the service and raise patronage.
14. The operator must hold accurate passenger records and have robust measures in place to ensure the integrity of data held. The operator must undertake an independent annual audit of passenger information.
15. The operator must undertake a twice-annual passenger survey, format and content to be agreed by Welsh Ministers, which can be published by the Welsh Government.
16. Tenderers must, as part of their Tender submission, complete the Operational Information spreadsheet at Part 3 Annex E

PART 2 D

TENDER INFORMATION TO BE SUBMITTED

Phase 1 – Initial Screening of Tenders

Tenderers must confirm that they are compliant with each of the Requirements set out in Phase 1, (Initial Screening of Tenders), by completing the tables below.

Operational Requirements	Compliant	Non - Compliant
1. Minimum service frequency provided		
2. Minimum timing requirements met		
3. Maximum fare levels within guidelines		
4. Suitable aircraft and crew available for start date		
5. Suitable aircraft and crew available for contract duration		
6. Availability of web and telephone booking/information services, with the provision for Welsh Language		
7. Experience of operating other similar scheduled services or contracts		

8. Complies with Department for Transport's "Access to Air Travel for Disabled Persons and Persons with Reduced Mobility" – Code of Practice.		
9. Commitment to produce marketing strategy to increase awareness and raise patronage		
10. Commitment to undertake twice annual passenger survey		
11. Measures outlined to ensure the integrity of passenger data		
12. Compliance with Air Passenger Rights Directive		

Technical Capability	Compliant	Non - Compliant
1. Air Operator to hold appropriate EU Operating Licence or equivalent		
2. Air Operator to hold Air Operator's Certificate		
3. Details of insurance cover (together with copy certificates) in respect of the following insurances: <ul style="list-style-type: none"> • Employer's Liability; • Public Liability; and such other insurances		

(including any needed to satisfy the RAF Operational Requirements and Cardiff Airport Operational Requirements) as are necessary in relation to all risks arising out of or in connection with the provision of the PSO Services.		
4. Confirmation that the proposal meets the necessary operating requirements for Cardiff Airport and RAF Valley.		
5. References - at least two (2) recent references from clients in respect of the provision of air services (to include details of the date of commencement, duration of the services, approximate value, names of staff involved, and their roles).		

Provision of financial information	Compliant	Non - Compliant
1. The Tenderer shall submit a copy of its full audited accounts for the last 2 years.		
2. A statement of its turnover, Profit and Loss and cash flow position for the most recent full		

<p>year of trading (or part if full year not available) and an end period balance sheet, where this information is not available in an audited form at 1 above.</p>		
<p>3. If the organisation is a subsidiary of a group then the information in 1 and 2 above are required for both subsidiary and the ultimate parent company.</p>		
<p>4. Within the portal the Tenderer should confirm that none of the following applies to its organisation:</p> <ul style="list-style-type: none"> • It is bankrupt or is being wound up or its affairs are being administered or it has entered into an arrangement with creditors, or it is in any analogous situation arising from a similar procedure under national laws and regulations; • It is the subject of proceedings for the declaration of bankruptcy, for an order for compulsory 		

<p>winding-up or administration or for an arrangement with creditors or is the subject of any other similar proceedings under national laws or regulations;</p> <ul style="list-style-type: none"> • It has been convicted of an offence concerning its professional conduct by a judgement which has the force of res judicata; • It has been guilty of grave professional misconduct proven by any means which the contracting authorities can justify; • It has not fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which it is established or those of the United Kingdom; • It has not fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the 		
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country in which it is established or those of the United Kingdom.		
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Tender Completion	Compliant	Non - Compliant
1. Acceptance of Terms and Conditions (including Schedule to the Conditions) without amendment		
2. Acceptance of duration of PSO Services and commencement date		
3. Acceptance of payment terms		

Phase 2 - Quality Evaluation

<p>1. Operational Management – 20%</p> <ul style="list-style-type: none"> • Proposals for establishing the service set –up arrangements by the service commencement date (10th December 2014). (5%) • Details of safety processes and how safety oversight is maintained. Tenderers should provide a summary of their operational safety record for the last three years including all recorded incidents or ‘near miss’ incidents. (10%) • Details of the office management systems and proposed administration procedures proposed, 	
---	--

<p>including website and call centre provision). Details should be provided on any resources or quality assurance processes allocated to ensure proper and timely performance of the PSO Services and related administration (e.g. invoicing procedures, recording/identifying expenditure incurred, reporting methods and frequency, complaints handling, 6-monthly passenger survey and data analysis etc). (5%)</p>	
<p>2. Operational quality- 15%</p> <ul style="list-style-type: none"> • Details of the aircraft to be operated, including aircraft specification. (10%) • Passenger experience e.g. services offered to customers during and before/after flight. (5%) 	
<p>3. Wider benefits – 10%</p> <ul style="list-style-type: none"> • Details of systems engaged to manage environmental practices and processes, including policy on sustainability. (5%) • Details of initiatives/proposals for wider benefits such as: support for developing the Welsh economy; Corporate Social Responsibility programmes. (5%) 	
<p>4. Contingency plans – 15%</p> <ul style="list-style-type: none"> • Proposals for operating contingency plans in the event of a service failure including communication of alternative arrangements both internally and 	

<p>externally to customers; back-up plane availability and alternative transport proposals. (15%)</p>	
<p>5. Reliability/Punctuality performance – 20%</p> <ul style="list-style-type: none"> • Proven track record in delivering similar contracts. Bidder must provide statistical information in support of their response, for example, punctuality reports, reliability and performance records. (20%) 	
<p>6. Proposals to maximise value for money – 20%</p> <ul style="list-style-type: none"> • Proposals on which the Tenderer will seek to reduce the amount of compensation paid in respect of the PSO Services over the lifetime of the Contract to achieve maximum value for money for the Ministers. (10%) • Marketing plan focussed on increasing patronage (with identified budget allocation). (10%) 	

Phase 2 - Additional Information Required

The following additional information is required from Tenderers to support the Ministers' tender assessment and evaluation process. The information to be submitted by the Tenderer in response to the questions set out in this section will **NOT** be scored. However, failure to respond/provide the information requested will result in the Tender being deemed non-compliant and excluded from the process.

1. Consortia / Joint Ventures or Use of Sub-Contractors

- 1.1 The Tenderer is required to confirm whether its organisation will be providing the required PSO Services itself, by way of a joint venture / consortium arrangement, or whether it intends to sub-contract any element of the PSO Services to a third party. **NOTE** – see Part 1 paragraph 5 (*Instructions to Tenderers*) for submission requirements.

2. Company Information

- 2.1 Name and registered office address of the air operator holding the appropriate EU Operating Licence or equivalent.

3. Technical Information

- 3.1 Details of aircraft to be used on the PSO route, and contingency aircraft in the event of unavailability of main aircraft including:
- 3.1.1 Aircraft type and model number.
 - 3.1.2 Pressurised (yes/no).
 - 3.1.3 Where is aircraft registered?
 - 3.1.4 Passenger seating capacity.
 - 3.1.5 Ownership status (owned, wet lease, dry lease).

4. Health and Safety and Duty of Care

4.1 The successful Tenderer will be wholly responsible for ensuring that its staff adheres to appropriate Health and Safety at Work regulations. The Tender must provide details of how it will accommodate these requirements in any working practices and must provide comprehensive details of the processes deployed by its staff to ensure compliance at all times.

5. Equality and Diversity

5.1 The Tenderer should provide an overview of its policy with regards equality and diversity within its organisation as part of its Tender submission, including (but not limited to) its understanding of Department for Transport's *Access to Air Travel for Disabled Persons and Persons with Reduced Mobility – Code of Practice*.

6. Welsh Language

6.1 The successful Tenderer will need to ensure that services provided through this contract are compliant with the Welsh Language Scheme for the Welsh Government. A copy of the Scheme can be found at <http://new.wales.gov.uk/topics/welshlanguage/publications>

Phase 2 - Financial Evaluation (Pricing Information Required)

1. Tenderers **MUST** complete the attached price schedule contained in Part 3 Annex F (in electronic format).
2. **NOTE** - Tenderers must submit, with their Tenders, a completed price schedule for a bid that satisfies the minimum tender requirements set out in Part 2C. At their own discretion, bidders may also submit a separate price schedule for proposed additional services (such additional services to be subject always to the Ministers approval and to the Ministers maximum allocated budget for the PSO Services).
3. In completing the Price Schedule tenderers must refer to Part 3 (*Important Note to Tenderers*). For the purposes of completing the price schedule, Tenderers should note the following:
 - 3.1 In respect of calculating non salary crew costs (including provision for crew and engineering allowances) Tenderers should apply the Welsh Government travel and subsistence rates for contracts outlined in the attached document.



T&S for
Contracts.doc

- 3.2 Tenderers are asked to note that for monitoring purposes the successful Tenderer will be required to provide supporting receipts for **all** expenditure claimed in line with the maximum deficit being sought.

PART 3

IMPORTANT NOTE TO TENDERERS

Tenderers should be aware of the following

1. TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246)) may apply to the re-tendering of the PSO Services. However it is the sole responsibility of Tenderers to undertake the necessary due diligence, ascertain the position and take appropriate legal advice as to the applicability (or otherwise) of TUPE. Tenderers should refer to the TUPE information set out in Annex D to this Part 3.
2. Tenderers are reminded of the need to comply with the operational requirements at RAF Valley, including the current restriction of aircraft to a maximum of 19 seats.
 - 2.1 During the term of this contract the Welsh Government may investigate the steps necessary for RAF Valley to meet the UK National Aviation Security Programme requirements to enable aircraft larger than 19 seats to operate on this route. The results of any such investigation would be discussed with the successful tenderer with a view to increasing the size of aircraft used on the route should this be warranted by market demand.
3. The successful Tenderer, will be required to enter into a direct contractual arrangement with Cardiff Airport, must ensure that it can satisfy Cardiff Airport's operational requirements..
4. The contract relating to the provision of Terminal Operator (Handling Agent) services at RAF Valley (*Terminal Operations Contract for Anglesey Airport*) is available upon request.
5. The successful Tenderer may be required to enter into suitable collateral arrangements with the Isle of Anglesey County Council, MoD, Cardiff Airport and the terminal operator (Handling Agent) and such other persons, bodies or organisations as the Ministers may require.

6. The successful Tenderer will be required to negotiate a contract with the Base Meteorological Office for any meteorological services and information.
7. Landing and navigation fees.
 - 7.1 There are no airport charges payable by the airline in respect of the use of **RAF Valley** for all scheduled civil movements under the PSO air service.
 - 7.2 The airport charges payable for additional movements, at **RAF Valley** (for example, those occurring after departure en-route, as a result of aircraft unserviceability and/or aircraft emergency) may be raised in the normal manner and charged to the aircraft operator. The successful Tenderer should contact RAF Valley directly to confirm the position.
8. The airport charges in respect of the use of **Cardiff Airport**, are set out in Part 3, Annex B. Bids should be priced according to Cardiff Airport's set tariffs.
9. Fares prices may be set by the Service Provider, but are always subject to the prior written consent of the Welsh Ministers. The suggested pricing structure at service commencement is a maximum single ticket price of **£60** (inclusive of passenger service charge, security charge but excluding air passenger duty will apply) to at least 60% of the load factor of the aircraft with a higher fare limit of £90 applying to the remaining seats. In addition, the availability of transferable tickets within this higher fare limit that allow passengers flexibility to cancel a booking and re-book at no additional cost.

PART 3 ANNEX A

RAF OPERATIONAL REQUIREMENTS

IMPORTANT – the information set out below may have been superseded (either in whole or in part). It is the sole responsibility of Tenderers to contact RAF Valley, undertake the necessary due diligence and ascertain the position to ensure that they conversant with the operational information that currently applies.

INTRA WALES PSO TENDER – OPERATIONAL INFORMATION

Reference A. Joint Services Publication 360 (Edn May 2005) – Use of Military Airfields by British and Foreign Civil Aircraft (or amendment thereto)

ALL TIMES LOCAL

GENERAL

1. Royal Air Force (RAF) Valley is a military, high-intensity, flying training aerodrome operating Monday to Thursday from 0800-1800 and Friday 0800-1700. It is tasked with the training of combat pilots for the RAF and Royal Navy (RN), the training of helicopter search and rescue (SAR) crews for the RAF and accommodates an operational SAR flight utilising the Sea King helicopter, which operates H24.

OPENING HOURS

2. As a training facility, RAF Valley does not operate over weekends, public holidays and other holiday occasions when the airfield may be closed for an extended period. An example of how RAF Valley may profile its opening schedule is as follows.

- a. Easter. Closed for Public Holidays and Maundy Thursday
- b. Early May Bank Holiday. Closed for Public Holiday
- c. Late May Bank Holiday. Closed for Public Holiday

- d. August Bank Holiday. Closed for Public Holiday and one additional day
- e. Christmas and New Year. Airfield closed for a two week period over the Christmas/New Year period.

NOTE: RAF Valley's main runway (13/31) is due for resurfacing, starting mid-2015 and estimated to take eight (8) months. The runway will be out of use for the duration although runway 01/19 will be available for all but three (3) weeks when the runway intersection is being completed. These three (3) weeks are anticipated to be in mid-September 2015, but until the contract is let and work has commenced the RAF cannot confirm these dates.

- 3. A small number of non-weather related, additional closure days may be added at short notice.
- 4. Permitted aircraft movements will take place within the period from 0800 hours – 1800 hours Monday to Thursday and from 0800 hours –1700 hours Friday but will be constrained to 2 operating windows at the start and end of each period; these periods will be determined in advance of the start of operations. Variance from these times will impede the normal Defence activities of the RAF Valley Base and will not be permitted without written authorisation from the Designated Officer (Officer Commanding RAF Valley) or his Deputy. In the event of a refusal to grant an extension to the permitted hours of operation, the MOD shall not be liable for any costs incurred in relation to the cancellation or curtailment of the service.

ACCESS

- 5. Subject to military necessity, unavoidable maintenance or health and safety requirements, or events beyond our reasonable control that shall include but not be limited to any Act of Nature, hostilities, national strike, fire, flood, changes in law, foreign Government policy, terrorism, biohazards, UK ban on trade source country and sonic booms, the airline operator will have access to the Airfield's runway and use of such taxiways, manoeuvring areas and aircraft parking areas. All such access requires the approval of the Designated Officer or nominated official.

6. The MOD shall have the overriding authority at all times for the use of the Airfield including those areas which the airline operator has been authorised to use and may withdraw such authority for a particular flight or series of flights to land at the Airfield should military necessity or essential maintenance or health and safety requirements or any other circumstances beyond the reasonable control of the MOD that shall include but not be limited to any Act of Nature, hostilities, national strike, fire, flood, changes in law, foreign Government policy, terrorism, biohazards, UK ban on trade source country and sonic booms dictate.

7. NOT USED

8. The MOD shall retain control over the use of the Airfield runway.

9. The airline operator must obtain the prior authorisation of the MOD for civil air traffic on training flights involving periods of circuit or instrument consolidation.

10. NOT USED

11. NOT USED

12. NOT USED

OPERATOR'S RESPONSIBILITIES

13.

a. The provision of the Services may be suspended by the MOD at any time to meet its unavoidable operational, maintenance and health and safety requirements; or for circumstances beyond MOD's reasonable control.

b. The MOD reserves the right to close the Airfield at any time following the last scheduled commercial Movement of a particular day.

c. NOT USED

- d. The supply of aviation fuel by the MOD is subject to its availability and that the supply of aviation fuel is at the discretion of the Designated Officer.
- e. The MOD may have to reduce the LCG of the whole or part of the Airfield.
- f. The airline operator will be responsible for the security of civil aircraft and their passengers, equipment and freight.
- g. In the event that the MOD is unable to provide fire, crash and rescue services civil operations requiring that level of cover shall be suspended.
- h. The Airline Operator will require the prior approval of the Designated Officer for civil aircraft to be parked in bays other than those provided for in the lease and contract between MOD and Isle of Anglesey County Council.

EQUIPMENT AND HEALTH & SAFETY

- 14. The airline operator shall not make any changes to ground markings, signs or lighting without the prior agreement of the MOD.
- 15. The airline operator may only leave identified ground handling equipment on the Airfield which has been previously agreed with the MOD and such equipment must be stored in a manner so as to present no health and safety hazard to anyone present on the Airfield.
- 16. The airline operator must inform the Designated Officer of any issues which may threaten or detract from the security of the Airfield.
- 17. The MOD reserves the right to exclude from the Base on safety grounds any personnel, passengers, visitors, aircraft, property or thing of the airline operator and the airline operator shall, if so directed by the MOD, cause any such person, aircraft, vehicle or thing to be removed from the Airfield as soon as reasonably practicable.
- 18. The airline operator warrants that any equipment, materials or other substances which the airline operator brings onto the Base or they are required to provide for the purposes of the

Contract are not a safety hazard and that they comply with all the relevant health and safety legislation and regulations.

19. The MOD reserves the right to inspect such equipment, materials or other substances and, if the MOD reasonably considers them to be unsafe or to pose an unacceptable risk of injury or damage to persons or property to refuse to allow them onto the Base or to have them removed therefrom.

20. In the event of such refusal, the MOD shall not be liable for any additional costs or delay in relation to the provision of the Services.

21. The airline operator shall be responsible for all health and safety issues associated with their activities.

22. All of the airline operator personnel shall comply with the airline operator approved Health and Safety at Work etc Act 1974 Work Statement whilst working within the perimeter of the Airfield.

23. The airline operator Health and Safety Statement must be compliant with the Health and Safety at Work etc Act 1974 provisions and an up to date copy shall be supplied to the MOD by the airline operator within 30 working days of any alteration made.

ADHERENCE TO REGULATIONS

24. All civilian flights into and out of the Airfield are subject to military flying regulations for civil aircraft as advised by the MOD and the regulations laid down in the UK Aeronautical Information Publication.

25. The airline operator will possess an Air Operator's Certificate (AOC), granted by the Safety Regulation Group (SRG) of the Civil Aviation Authority (CAA)

26. The airline operator shall ensure that they possess a CAA Operating License (Type A or B) commensurate with the type of aircraft that they intend to operate into and out of RAF Valley.

27. Passengers boarding or disembarking aircraft are to be escorted to and from the terminal building at all times and no unauthorised personnel are to be granted access to the airfield from the terminal building.

28. When employed within the boundaries of the Base, the airline operator personnel shall comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force for the time being for the conduct of personnel at the Base.

29. All vehicle drivers operating on the Airfield must hold the following:

- a. A driving licence, which is valid in the UK
- b. Appropriate and comprehensive insurance cover
- c. An Airfield Driving Permit issued by the Base

30. The airline operator shall be responsible for the civil aircraft, personnel, passengers and their belongings, vehicles, equipment and freight on the areas which the airline operator have been authorised by the MOD to use but must act subject to any instructions and directives issued by the MOD.

31. The airline operator will be bound by all schedules, conditions and clauses imposed by the MOD, which will not necessarily be limited by the examples contained in this document.

32. NOT USED

INSURANCE

37. In order to ensure that the airline operator has adequate resources to pay claims for compensation they must hold an aviation liability insurance policy and a copy of the policy certificate must be provided prior to the start of any scheduled service.

- a. The policy must be described as covering “aviation liability insurance”.

b. The period of insurance is current and remains current for the full period of use, and

c. The sum insured under the policy is not less than £25,000,000.

38. In accordance with Reference A, aircraft operators are required to pay a Civil User Indemnity Administration Charge which recovers the cost of the MOD insurance policy covering risks associated with civil aircraft movements on military airfields. The charge is valid for a 12-month period and is levied on a per-aircraft basis; the charge covers unlimited movements during the year. Operators of aircraft in the weight category 14.5 - 24.9 metric tonnes would pay a charge of £130 +VAT for each aircraft that they intend to use on the service.

39. The MOD shall notify the airline operator of any changes to insurance requirements within 30 working days of the MOD becoming aware of any such changes and the airline operator will comply with such changes.

ATC AND AIRCRAFT OPERATIONS

40. Scheduled civil aircraft movements will comply with published RAF Valley air traffic control procedures.

41. Whilst the MOD will make every endeavour to ensure that scheduled civil movements will not be subject to inordinate delays either arriving or departing RAF Valley, aircraft operators should note that at no time, other than in emergency, will civil aircraft movements have priority over military operations.

42. The complete Military Aeronautical Information Publication entry for RAF Valley follows. This information is to be used only for the PSO Tendering process and is not to be used for aircraft operations or navigation. This information is not subject to any form of amendment action and the use of this information for aviation purposes could constitute a flight safety hazard.

OPERATIONAL CONTRACT

43. Prior to commencement of operations at RAF Valley, the airline operator will be required to enter into a contract that will state their acceptance of the conditions and limitations that will comprise, but is not limited to, those detailed in this document.

PART 3 ANNEX B

CARDIFF AIRPORT OPERATIONAL REQUIREMENTS



Cardiff Airport
Charges & Conditions

PART 3 ANNEX C

LEASE AGREEMENT AND DEED OF RECTIFICATION BETWEEN THE MOD AND ISLE OF ANGLESEY COUNTY COUNCIL, AND AIRPORT SERVICES CONTRACT BETWEEN THE CROWN AND ISLE OF ANGLESEY COUNTY COUNCIL

1. COPY OF LEASE AGREEMENT AND DEED OF RECTIFICATION



Scan-20-Oct-09.pdf



Scan-20-Oct-09.pdf

2. COPY OF AIRPORT SERVICES CONTRACT



Airport Services
Contract.pdf

Note: The current contract is in operation until 10 December 2014, with a similar contract planned to be in place after this date.

PART 3 ANNEX D
TUPE INFORMATION

Background

The PSO Service is currently being operated by Citywing Aviation Services Limited and Links Air Limited under arrangements which will come to an end on 9 December 2014.

TUPE information to follow.

PART 3 ANNEX E

Operational Information Schedule for IntraWales Air Service

2014 - 2018

	Year 1	Year 2	Year 3	Year 4	Details/ Explanations
	10 Dec 2014- 9 Dec 2015	10 Dec 2015- 9 Dec 2016	10 Dec 2016- 9 Dec 2017	10 Dec 2017- 9 Dec 2018	
Operational Information					
Aircraft Type					
Aircraft Cost Basis (ACMI, Owned etc)					
Number of Sectors (one way flights)					
Aircraft seating capacity					
Passenger numbers					
Average revenue per sector					

PART 3 ANNEX F

Price Schedule for IntraWales Air Service 2011 - 2014

	Year 1	Year 2	Year 3	Year	
Revenue Information	10 Dec 2014- 9 Dec 2015	10 Dec 2015- 9 Dec 2016	10 Dec 2016- 9 Dec 2017	10 Dec 2017- 9 Dec 2018	Cost Details / Explanations
Passenger Revenue					
Other Revenue					
Total Revenue					

Direct Operating Costs					
Fuel					
Fuel Burn /Landing Fees					
Handling					
Parking					
Navigation					
Scheduled Maintenance*					
Line Maintenance					
**Non-Salary Crew Costs					
Contingency costs associated with service failures					
Total DOCs					
Passenger Variable Costs					
Passenger Charges at Cardiff					
Reservation					

System/Distribution Cost					
Advertising, PR and Promotion costs					
Welsh Language translation cost for call centre					
Welsh Language translation cost for advertising					
Total PVCs					
Average per Pax					
Aircraft Costs					
Lease Cost/Cost of Ownership					
Insurance*					
Salaries* please specify details of staffing levels					
Total Aircraft Costs					
General Costs					
Overhead %					
Overhead Amount					
Profit Allowance %					
Profit Allowance Amount					
Total General Costs					
Total Costs including general					

Total Subsidy Required					

***Costs not applicable for ACMI lease arrangement**

**** In respect of non salary crew costs please refer to the notes for tenderers in respect of payable allowances - see earlier paragraph 3.1 Phase 2 *Financial Evaluation (Pricing Information Required)***

i. In determining staffing costs please note there is no requirement for cabin crew.

ii. In calculating fare revenue, tenderers should specify separately any baggage charges proposed.

PART 4

DOCUMENT CHECKLIST

The Tenderer is required to complete and include this sheet at the front of its Tender. The items included with the Tender should be ticked as being present and a list of any other items that have been included in the Tender should be included and ticked as being present.

Check (☐)

Tender Submission

Documents

- Part 2D: Service Requirements:
- Part 3 Annex E: Operational Information Schedule:
- Part 3 Annex F: Price Schedule:
- Part 4 Document Checklist
- Part 5: Form of Tender
- Part 6: Certificate as to Canvassing
- Part 7: Certificate of Non – Collusive Submissions
- Part 8: Terms and Conditions of Contract including the Schedules
- any other items comprising the Tender as follows:
- _____
- _____
- _____

(Tenderer to complete as appropriate)

SIGNED by

On behalf of []

PART 5

FORM OF TENDER

I/We the undersigned, having considered the Tender documents, and subject to and upon the terms and conditions of Contract contained in the documents set out below, offer to supply the PSO Services to the Ministers as detailed in the ITT at the prices entered in the Tender.

1. Part 1 – Instructions to Tenderers
2. Part 2 – Service Requirements
3. Part 4 – Document Checklist
4. Part 5 – Form of Tender
5. Part 6 – Certificate as to Canvassing
6. Part 7 – Certificate of Non – Collusive Submissions
7. Part 8 – Terms and Conditions of Contract including the Schedules

*I/We further undertake not to disclose the amount of *my/our Tender to any person or body before the date and time for opening of Tenders hereinafter mentioned.

*I/We agree to abide by this Tender from the date fixed for receiving Tenders until the award of the Contract.

*I/We understand that the lowest Tender will not necessarily be accepted.

Signature:

Name: (BLOCK CAPITALS)

Designation:

Duly authorised to sign Tenders for and on behalf of:

Name of Tenderer

Nature of Firm

Address

Telephone No (INCLUDE AREA CODE)

Date

It must be clearly shown whether the Tenderer is a limited liability company, statutory corporation, partnership, or single individual trading under his own name. Tenders received after the stated time may, at the Ministers sole discretion, be rejected.

PART 6

CERTIFICATE AS TO CANVASSING

To:

[]

Welsh Ministers

I/We hereby certify that I/we have not canvassed or solicited any officer or employee of Welsh Ministers or its agents in connection with the award of the Contract for PSO Services. I/We certify that no person employed by me/us or acting on my/our behalf has done any such act.

I/We further hereby undertake that I/we will not in the future canvass or solicit any officer or employee of the Welsh Ministers or its agents in connection with the award of the Contract for PSO Services. I/We certify that no person employed by me/us or acting on my/our behalf will do any such act.

Signed 1) Status

2) Status

For and on behalf of

Dated.....

PART 7

CERTIFICATE OF NON-COLLUSIVE SUBMISSIONS

To: []

Welsh Ministers

The Welsh Ministers wish to receive only *bona fide* competitive Tenders from all persons. In recognition of this principle:

I/We certify that this is a *bona fide* Tender, intended to be competitive and that I/we have not fixed or adjusted the amount of our Tender or the rates and prices quoted by or under or in accordance with any agreement or arrangement with another person.

I/We also certify that I/we have not done and undertake that I/we will not do at any time any of the following acts:

- a) communicating to a person other than Welsh Ministers or their advisors the amount or approximate amount of my/our proposed Tender (other than in confidence in order to obtain quotations necessary for the preparation of any application for insurance); or
- b) entering into any agreement or arrangement with any other person that he shall refrain from tendering or as to the amount of any tender to be submitted; or
- c) offering or agreeing to pay or give or paying or giving any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other tender or proposed tender for the PSO Services any act or omission.

Signed 1) Status

 2) Status

For and on behalf of

Dated

PART 8

TERMS AND CONDITIONS OF CONTRACT

Terms and conditions of contract will be issued on the etendering portal no later than Monday
18 August.