

REQUEST FOR PROPOSAL (RFP) CRJ COMPONENT POOLING AND HOME BASE STOCK

Response Deadline: 15 January 2018

Table of Contents

Contents

A. Introduction	3
B. Scope of Work & Services	3
1. General Information and Assumptions	3
2. Fleet Information.....	4
3. Requested Service Levels	4
4. Component Pool Access and Material Availability	4
5. Component MRO Support	5
6. Home Base Stock and Lease	5
7. Logistics	6
8. Additional Requirements at no further costs	6
C. Commercial Proposal	6
1. Submission of Proposal.....	6
2. Contract term	6
3. Price Level.....	6
4. Time & Material Conditions + Purchase	6
5. Invoicing Mechanism	6
D. Standard Terms	7
E. Further Evaluation Criteria	7
F. Administrative Details & Point of Contact	7
Annex 1: Bid Sheet	8
Annex 2: Positive list for MRO and Pool.....	9

A. Introduction

Shree Airlines is currently operating 02 CRJ200, 01 CRJ700 and has plans to add 02 Aircrafts of the CRJ 700 within 12 months. Shree Airlines currently operates in 5 major cities from Kathmandu on daily basis and also conducts Mountain flights.

In order to support the operation of these aircrafts, Shree Airlines is exploring the option of component support program on 'Power By Hour' (PBH) basis. Additionally a Home base stock at Kathmandu, which covers mainly Essential I and Essential II items, should be offered in order to minimize technical delays.

B. Scope of Work & Services

1. General Information and Assumptions

The scopes of services required are:

- Access to a pool of rotatable components on a one-for-one exchange basis, the processes to demand, deliver and return those components to/from the supplier, and
- the test, repair, overhaul, modification and scrap replacement of those exchanged components, and
- the provision of a Home Base Stock of certain rotatable components in support of Shree Airlines's operation, and
- the provision of logistics services

Under following information and assumptions;

Contract Duration	5 years and 10 Years
Aircraft	CRJ Family
Country of Registration	Nepal
Flying Hours Per Year	1500 FH / aircraft
FH/FC Ratio	1 : 0.60
Flight Destinations	Domestic (Regional once approvals received)
Required Certifications	EASA /FAA
Delivery Destination	KTM
Redelivery Destination	KTM

2. Fleet Information

MSN	ENGINE	APU	DOM	Phase In
7798	CF34-3B1	GTCP36-150RJ	18-Jun-2003	29 Apr 2017
7643	CF34-3B1	GTCP36-150RJ	30-Apr-2002	12 Apr 2017
10048	CF34-8C5B1	RE220(RJ)	31-Jun-2002	25 June 2017

3. Requested Service Levels

Request Category	Description	Prerequisites	Provisioning Period	Target Service Level
AOG	Includes "No Go (ESS 1) and Go if (ESS 2) Components	Real AOG situation. Notification of Aircraft Tail sign & MEL restriction. Zero stock in Home Base Stock	<ul style="list-style-type: none"> Ready for shipment: within two (2) hours. Delivery Time: asap. Pool Component booked on the next scheduled and reasonably available flight with cargo capacity. 	95%
CRIT A	Includes Pool Components needed to rectify MEL A and MEL B defects	Zero stock in Home Base Stock.	<ul style="list-style-type: none"> Ready for shipment: within two (2) calendar days. Delivery Time: asap. 	93%
CRIT B	Includes Pool Components needed to rectify MEL C defects	Zero Stock in Home Base Stock.	<ul style="list-style-type: none"> Ready for shipment: within seven (7) calendar days. Delivery Time: asap. 	90%
SCHEDULED	Includes Pool Components needed to rectify MEL D defects and scheduled replacement of Pool Components due to hard times, layovers or Modifications		<ul style="list-style-type: none"> Ready for shipment: within the time limit for scheduled changes of Pool Components. Delivery Time: within the time limit for scheduled changes of Pool Components. 	90%
REPLENISHMENT	Pool Components needed to replenish the Home Base Stock Material	Zero Stock in Home Base Stock.	<ul style="list-style-type: none"> Ready for shipment: within ten (10) calendar days. Delivery Time: asap. 	90%

4. Component Pool Access and Material Availability

- Guarantee of availability for 1-to-1 exchange
- Inclusion of all exchange fee cost and all administration cost
- Provision free of charge of a loan unit in case of AOG and in case of no availability of components
- Inclusion of all flat rate components as stated in the Annex 1 as well as all interchangeable ones*

- AOG Service 24/7 and response time for AOG request within 30 minutes
- Components removed during base Maintenance
- Engine and APU components (on wing)
- Dual Release Certificates EASA Form 1 and FAA-Release
- Guaranteed Service level according to the service level table above
- Shree Airlines will return unserviceable units to the supplier within 10 days of that unit being delivered to Shree Airlines.

*NOTE: It is mandatory for all providers to quote based on the P/N (flat rate components) stated in Annex 1.

5. Component MRO Support

- Inclusion of all cost in order to bring the unserviceable units to a serviceable condition according to the approved CMM. (e.g. material, test bench and man hour cost for test, minor repair, major repair and overhaul etc.)
- Inclusion of all flat rate components as stated in the Annex 1 as well as all interchangeable ones*
- All mandatory ADs and all mandatory SBs must be included up to 2,500 USD per engineering order and serial number
- Provision of all consumables & expendables used in inspection, testing, repair and overhaul of Pool Components
- Scheduled removals of covered components
- AOG and MEL category "A" (Minimum Equipment List) requests quote of up to 20% of all material request
- NFF Rate of up to 15% included
- BER Limit: 65% of CLP (Fair Market Value will not be accepted)
- Total cost for scrap replacement in case of BER
- Components removal during base Maintenance
- Engine and APU components (on wing)
- Warranty Handling and administration
- Dual Release Certificates EASA Form 1 and FAA-Release

*NOTE: It is mandatory for all providers to quote based on the P/N (flat rate components) stated in Annex 1.

6. Home Base Stock and Lease

MRO provider shall offer a Home Base Lease to Shree Airlines's CRJ fleet as specified above. The following condition shall be fully applied:

- Home Base lease to be in % of CLP per month
- The lease fee is calculated based on the volume of the Home Base Stock
- Supplier to propose a suitable Home Base value based on CLP
- The volume of the Home Base shall be reviewed by both parties and adjusted accordingly on an annual basis
- The Home Base recommendation shall contain all No-Go and Go-If component required to assure a safe and reliable CRJ operation
- In case parameters change that affect the design and setup of Shree Airlines's Home Base, the composition of the Home Base shall be adjusted

7. Logistics

- Include Delivery of serviceable components to rectify a defect of Aircraft
- Include Redelivery of unserviceable components after removal from Aircraft to MRO facility
- Both side transportation needs to be covered

8. Additional Requirements at no further costs

- Management of Rogue Units
- Component Reliability Monitoring
- Interchangeability management
- Management and recommendation of ADs and SBs
- Electronic/IT platform to order Materials/Components via Internet
- Integration of IT-Systems
- Component Warranty of 3000 Flight Hours or 24 months, whichever occurs first

C. Commercial Proposal

Please provide your offer by using table in Annex 1. All rates must be inclusive of all terms as requested in this RFP.

1. Submission of Proposal

Any proposal and pricing must be submitted to Shree Airlines on **15 January 2018** no later than 6 p.m. Nepal Local Time by email to rfp328@shreeair.com. Proposals which are received after this time may not be considered.

2. Contract term

All prices must be submitted based on a Five (5) and Ten (10) years term of contract.

3. Price Level

All prices offered shall be price level 2018.

4. Time & Material Conditions + Purchase

In case a component not covered by the PBH rate, the following details are to be specified in the proposal:

- Labor rate
- Exchange fees and policy
- Loan fees and policy
- Material purchase fees and policy

5. Invoicing Mechanism

The supplier is requested to provide a mechanism to handle invoice disputes

D. Standard Terms

Shree Airlines expects the terms of the agreement to be concluded pursuant to the present RFP to be consistent with the following stipulations:

- All written correspondence shall be in English language.
- Shree Airlines is not bound to enter into contract with any applying suppliers.
- The Quote shall be valid for 90 (ninety) days.
- Shree Airlines reserves the right to continue further negotiations with the selected supplier concerning the Service Requirements, Commercial Terms and General Terms, before entering into a binding Term Sheet with Service Provider.
- Modifications shall be accepted only in writing.

By submitting a proposal suppliers demonstrate their acceptance of all the above Standard Terms to be fully or partly incorporated to the final contract.

E. Further Evaluation Criteria

Our final decision will be based on assessment of the MRO's ability to deliver the indicated service in accordance with the specifications set out in this RFP. Of relevance is the extent to which MRO's proposed solution fulfills Shree Airlines's stated requirements as set out in this RFP, including the overall logistics arrangement. In addition, we will ask you to

- Provide filled Compliance Matrix as appended to this document
- State company profile and experience in managing rotatable pools, supporting CRJ and CF34 engines
- Provide details on infrastructure for customer support, AOG Desk 24 hours-a-day, 365 days-a-year.
- Provide details on in-house repair capability, number of CRJ aircraft supported by your pool and in the Asia region
- Provide details on commitments on post Warranty and Performance Guarantees;

F. Administrative Details & Point of Contact

Administrative Details

Address: Baburam Acharya Sadak, Sinamangal-9, Kathmandu, Nepal
Registered Office: 485 Ganeshman Singh Path, Tripureshwor, Kathmandu, Nepal
Phone: 977-1-4493200
Email: contact@shreeairlines.com
Website: www.shreeairlines.com

Point of Contact

Mr. Shekhar Sharma Parajuli
Engineering Stores Incharge
Phone: 977-1-4493200

Annex 1: Bid Sheet

PBH Rates

Category	Description	Currency	Flight Hour Rates (Per Aircraft per Flight hour)	
Pool Access	Price for Component Access and Availability according to Section B.	USD		
MRO Services	Price for Component MRO according to Section B, based on age of aircraft	USD	During the 1st year age	
			During the 2nd year age	
			During the 3rd year age	
			During the 4th year age	
			Starting 5th year age and ongoing	
Transportation	Price for Transportation as per Section B.	USD		
Home Base Stock Support	Value of Recommended Home Base Stock (CLP)	USD		
Home Base Stock Support	Homebase Lease Fee	% of CLP		

Rates for services not covered by PBH-Rate

Category	Description	Currency	Rate
Man-Hour Rate	Man-Hour Rate per hour	USD	
Handling Charge	Handling Charge Subcontracted Work		
	Handling Charge Material		
Loan Fees	Loan Fees		
Exchange Fees	Exchange Fees		
Any Additional Charges	Other charges not prescribed above		

Annex 2: Positive list for MRO and Pool

Please provide the Maximum coverage for all ATA chapters (including total no of parts) for CRJ 200 and CRJ 700

Shree airlines