



The General Lighthouse Authorities for Scotland & the Isle Of Man; England, Wales & the Channel Islands; Ireland; and their adjacent seas and islands

## **GLA Helicopter Services 2015 Market Engagement Event Questionnaire Result**

The questionnaire was designed by the Project Board to give suppliers the opportunity to provide feedback following the initial market engagement event held on 4 September 2013 regarding our forthcoming procurement exercise.

Based on previous experience and knowledge of the limited supply market it was anticipated that suppliers would not want to discuss anything that may show their intentions nor would they want to raise this in other formats that would be shared with the other suppliers. This was confirmed in conversation with a number of attendees at the event on 4 September 2013.

The online link to the questionnaire was issued by email to all suppliers who had attended the event on 4 September 2013 or expressed interest. 6 responses were received by the closing deadline of 12 noon on Thursday 19 September 2013.

### **Results**

**Question 1 Did you find this event informative?** 6 responses received with 1 comment:-

<b>Response Percent</b>	<b>Response Count</b>		
<b>Yes</b>		<b>83.3%</b>	<b>5</b>
<b>No</b>		<b>16.7%</b>	<b>1</b>

*If no, please give your reasons for this, including any information you believe should have been provided and how this would help you.* 1 response received:-

- We felt that the information provided would have been better sent electronically. In order to encourage participation it might also have been helpful to break the presentation into two distinct sections to allow participants to discuss queries prior to the Q&A session.

#### **GLA Helicopter Project Boards response:**

The comment received has been noted for future events and similar activities.



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### **Question 2 What assumptions have you made about the GLA requirements?**

6 responses received

- The GLA provide an essential service to the shipping and maritime community and therefore the following factors are essential in supporting the forthcoming Tender: 1. Appropriate aircraft selection and configuration 2. High quality pilot training and experience 3. Close working relationships between operator and GLA 4. Aircraft availability maximised 5. Flexible response to the provision of aircraft to service GLA's varying demands
- Having looked at the needs it feels that you are looking for a dedicated helicopter, team and service but only want to pay by the hour for its use. Therefore the risk on the contract (if the hours drop down) is taken by the helicopter provider. All the elements of the contract are possible but are they possible within the price that GLA want to pay?
- That the key drivers for the aircraft are the limit on MAUW and the ability to meet the load requirement configured with all the required safety equipment for offshore operations and sufficient fuel for the operation. b. That management of aircraft location will be key to keep costs down and response times within expectations. c. That more than one airframe will be required.
- As an incumbent service provider to XXXX we are consciously aware of the likelihood of an overall rationalisation in the combined GLA services for the new contract.
- It is too vague - there needs to be more detail particularly about how the operation may work in practice
- None

#### **GLA Helicopter Project Boards response:**

Comments 1, 3 and 4 are correct

The tender documentation shall give scope for charging options to allow alternative proposals. Tenderers will be asked to determine how they will provide and cost the service being offered.

The tender documentation will provide our requirements, clearly stated together with information on how the GLAs shall be collaborating. What we are looking for Tenderers to advise us how the service can be provided and how it might operate without us limiting possibilities.



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**Question 3 What are your potential commercial risks with this tender/contract? Can you suggest any approaches the GLAs may consider taking to drive down or mitigate these risks? 6 responses received:-**

- The provision of aircraft which are not fully utilised or required throughout the contract period. This could be mitigated by a combination of guaranteeing one air asset in terms of flying hours and operational tasking. Additional air assets to meet escalation needs could be provided within extended response times which may include more than one appropriately equipped and trained aircraft and crew.
- 1 - As GLA pay by the hour for the helicopter, contractor does not get enough hours to make the helicopter viable for the contractor. 2 - GLA would like other work to off-set the cost of their helicopter but what happens if helicopter needed for an urgent run by GLA in Cornwall and is doing a job in Scotland? It can be done but would need to work closely with scheduling and have a back up. But if we provide a back up how do we charge for the back up? 3 - With budgets being tighter and tighter it will be a juggling act to ensure we provide the right service at a cost effective price (but at a price with which we can still make a profit) 4 - To set this contract up requires a considerable set up cost investment in training, manuals, equipment, etc and we will be at a disadvantage compared to the incumbent as they are set up and operating already
- The main commercial risks are having a good understanding of those cost elements that are to be the responsibility of the Contractor, such as: a. Transits b. Crew Changeover T&S (as to where the aircraft will be as depends upon tasking) c. T&S d. Landing & Handling Fees These could be taken at cost by the GLAs so as to prevent over or under costing of these elements..
- The principal commercial risk with this tender / contract is its proposed length which ideally should not be less than 7 years.
- One aircraft will not be able to effectively manage the task line. The aircraft will need to have that latest EU OPS safety and performance standards, which will mean that the current helicopters in use will be non compliant. therefore new more capable but more expensive aircraft will need to be used.
- Investment in new helicopters without sufficient contract term, lead time to set up and train.

**GLA Helicopter Project Boards response:**

All comments have been noted and are being considered whilst drafting tender documentation.



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**Question 4 Would you consider a tender/contract that required a shared commercial risk position between the Contractor and the GLAs?** 6 responses received with 4 comments:-

Response	Response Percent	Response Count
Yes	83.3%	5
No	16.7%	1

- Based upon a core service requirement, we would consider sharing the commercial risk with the GLAs in the following key areas: Third party ad hoc use of GLA aircraft and crew to offset Monthly Standing Charges. This will however result in reduced availability of air asset and crew for GLA immediate deployment. Additional tasking by GLAs to support new market opportunities i.e. tourism or filming.
- Yes would consider but it needs to have risk and reward. Would need to be carefully agreed between parties with opportunities for review as a 5 to 7 year contract is a long time and the market can change rapidly in 5 years.
- This would need to be reviewed during the bid process and proposals could be made within the proposal.
- A share of the risk of the asset required. For example, if the GLA were to take on the asset investment of the helicopter itself, they would benefit from more modern and effective aircraft, and the contractor could offer lower rates for operating and maintaining this helicopter safe in the knowledge that a slightly inaccurate operating cost estimate would not bring the company down. Additionally the GLA could migrate the helicopters elsewhere should there be a risk with continuing to use a specific contractor (e.g. financial problems with this company). This would be similar to the way manufacturing tooling in factories is owned by the company contracting the manufacturer. The tooling could be moved elsewhere should administrators move in (which happens frequently in the helicopter market). The helicopters could still be operated, hangared, maintained and managed by the contractor. I believe this would generate significant cost savings all round.

### GLA Helicopter Project Boards response:

All comments have been noted and are being considered whilst drafting tender documentation.



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**Question 5 Are there any service delivery options you would be able to provide that the GLAs could consider without compromising the service requirements? 6 responses received:-**

- We believe there are other service delivery options in terms of third party working which would not compromise the service requirements for the GLA. These would include: 1. Given the appropriate role equipment specification with the aircraft, additional third party deployment could include tasking for other marine based activity i.e. marine pilotage, offshore wind farm support and oil and gas transfers. 2. Third party training for pilots and HLOs may be undertaken to supplement the contractual requirement. 3. Other tasking in support of coastal pollution and aerial photography may be considered.
- We have some ideas relating to our helicopters that we will submit within our tender document. We are looking to produce a long term commercial and innovative solution that will allow GLA and XXXX to work as long term partners and not on a customer/supplier relationship.
- These would need to be developed during the bid submission phase.
- No
- Yes - mixed fleet could be useful and allow for commercial use when not in use.
- Being able to offer both twin and single engine options depending on the exact requirement.

### **GLA Helicopter Project Boards response:**

All comments have been noted and are being considered whilst drafting tender documentation.

A single engine option will not be considered by the GLAs as we do not consider that meets our safety needs.

A mixed fleet is not our preference unless Tenderers can demonstrate good reasons for this within their submission.



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**Question 6 How likely are you to submit a tender for this requirement?** 6 responses received with 1 comment:-

<b>Response Percent</b>	<b>Response Count</b>		
<b>We shall definitely be submitting a tender</b>		<b>50.0%</b>	<b>3</b>
<b>We are likely to be submitting a tender</b>		33.3%	2
<b>We are undecided at this time</b>		0.0%	0
<b>We will not be submitting a tender</b>		16.7%	1

- Not convinced that a rigorous technical approach will take place: taking into account latest safety and performance requirements and operating under strict maritime rules. This would deem the use of the helicopters currently in use for GLA as non compliant. The correct aircraft will need to be in the 4.5 t class and above category. This means changing the current way that the operation works and upgrading some helipads as necessary. Failure to do this will result in a service that does not adhere to the right requirements.

### **GLA Helicopter Project Boards response:**

All comments have been noted and are being considered whilst drafting tender documentation.

Ideally we would like to operate helicopters in the 4.5 t class, but it would mean a complete rebuild of all ship heli decks, lantern top lighthouse heli decks and many other GLA sites. This is not an option and we must achieve the best service available with our current landing sites.



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**Question 7 What would be your optimum period of contract and why?** 6 responses received:-

- The optimum period would be 5 years with 2, 1 year extensions. This will enable the introduction of new or upgraded aircraft resources and balance the period of exposure for any contractually agreed commercial risk.
- Optimum period would be 7 years contract plus options
- A 7 to 10 year contract would be the most optimum length as we have found that this is the best term for financing whilst also giving a reasonable time to recover transition costs.
- See answer to 3 above.
- 8 - 10 years - financial benefit for leasing
- 10 years, because this is a long enough period of time to fund a new helicopter type, train and develop new staff, and invest in appropriate facilities without high costs being passed on to the customer.

**GLA Helicopter Project Boards response:**

All comments have been noted and are being considered whilst drafting tender documentation.

We have decided on a 7 year contract period plus 36 months optional extensions – advised at Year 5 giving a maximum length of 10 years.



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**Question 8 What information do you consider to be necessary within the tender document to ensure that new suppliers are not at a disadvantage to incumbent suppliers? 6 responses received:-**

- Clear description of aircraft specification. 2. Defined operational tasking requirements. 3. Description of potential changes to deployment during contract period. 4. A clear definition of pilot, crew member and engineer qualification and experience. 5. A clear definition of exemptions required under dangerous goods.
- Full breakdown of flying hours per annum, split into weekly blocks.
- Sufficient information needs to be included to be able to understand the operating pattern in detail to be able to cost those items that are entirely dependent upon the tasking and use of the aircraft for unscheduled tasks. This can greatly affect the number of crew required, the ability to undertake scheduled maintenance at a home base and how the tasking may cause surges in utilisation with the associated knock-on effect.
- None
- Detailed operation information. Presenting how the new service will have to operate - implications of the new rules and regulations
- Detail relating to load sizes and shapes, number of flights to and from each location including load type, detail of when flights take place (e.g. time of year, day of week, time of day), helicopter currently used, target cost.

**GLA Helicopter Project Boards response:**

All comments have been noted and are being considered, where appropriate, whilst drafting tender documentation.



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**Question 9 Are you content this will be a fair, open and transparent procurement process?** 6 responses received with 2 comments

Response	Response Percent	Response Count	
Yes			83.3% 5
No			16.7% 1

- Is refreshing that we get the chance to meet in advance with the client, they give us the heads up on their requirement so that we have time to formulate plans and ideas and not having it all rushed into a 6 week tender response window.
- Transparent YES but NO to open or fair. There is a suggestion that the current helicopters are capable to do the new service - technically they will be non compliant to Cat A limitations, EU OPS, Maritime Rules, Equipment requirements etc

### GLA Helicopter Project Boards response:

All comments have been noted and are being considered whilst drafting tender documentation.

The current incumbents work within the regulations and are audited by the regulatory authorities. It is up to the Tenderers to work with the regulatory authorities to meet the GLA requirements in a lawful and safe manner.



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**Question 10 Is there anything else concerning this requirement you would like to raise with the GLAs at this stage? All feedback is welcome together with suggestions for all aspects of the requirements including the service requirements. 6 responses received:-**

- The GLA Market Engagement Event at Trinity House in London was most helpful giving open access to all potential participants whom we trust will set the theme for this process. Clearly this will require innovative thought and close partnership to deliver the model of helicopter operations in the coming years to support the GLAs in your essential service. It is our opinion that aircraft specification, crew experience and operating company capability are essential elements in defining the single supplier to the UK's GLA requirement.
- Within the tender document we would welcome the opportunity to supply an alternative proposal as well as our main proposal.
- No.
- No
- NO
- Please ensure XXXX is included within this process.

**GLA Helicopter Project Boards response:**

All comments have been noted and are being considered whilst drafting tender documentation. The tender documents will allow for innovation and alternative proposals.