

# Norwegian Defence Materiel Agency (NDMA)



The intention of “RFP, Phase 1” is to inform interested parties of the minimum requirements, in order to qualify for the sales process.

## Request for Proposal: MAS-2018-003 Phase 1

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## 2 Abbreviations

NDMA	Norwegian Defence Materiel Agency
NMoD	Norwegian Ministry of Defence
NMFA	Norwegian Ministry of Foreign Affairs
AMARG	Davis-Monthan AFB, 309 <sup>th</sup> Aerospace Maintenance and Regeneration Group
AFB	Air Force Base
A/C	Five (5) C-130H aircrafts and the surplus spare parts and components
DoS	Department of State
PM	Bureau of Political-Military Affairs
RSAT	The office of Regional Security and Arms Transfers
DDTC	Directorate of Defense Trade Controls
ITAR	International Traffic in Arms Regulations
USML	The United States Munitions List
TPT	Third Party Transfer
LOI	Letter of Intent
FMS	Foreign Military Sale
FVC	Foreign Visit Clearance
RFV	Request For Visit
SME	Significant Military Equipment
COPE	Country Over Private Entity
AECA	Arms Export Control Act
EUA	End User Assurance
FYI	For your information
OEM	Original Equipment Manufacturer
SOW	Statement of Work
PPE	Personal protective equipment
AS IS WHERE IS	The C-130H will be sold "As IS WHERE IS". The proposer(s) will be responsible for determining the condition of the materiel prior to purchase. Discrepancy- and/or deficiency reports will not be accepted at any time prior to or after the sale.

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RFP	Request for Proposal
COPE	Country Over private Entity
POC	Point of contact

### **3 Background**

The Norwegian Defence Materiel Agency (NDMA) is announcing this Request for Proposal (RFP) of five (5) Norwegian C-130H aircraft, surplus spare parts and components, on behalf of the Norwegian Ministry of Defence (NMoD). The aircraft are stored at Davis-Monthan AFB, 309th Aerospace Maintenance and Regeneration Group (AMARG) in Tucson, Arizona, USA, and the surplus spare parts and components stored at Hovemoen, Lillehammer, Norway. The five aircraft and the surplus spare parts and components are hereafter referred to as the A/C.

NDMA would like to point out that the A/C are now available for any end-user that can provide the necessary documentation. The end-user needs to be approved on, by the Norwegian Ministry of Foreign Affairs (NMFA), NMoD and the US Department of State (DoS). Your company is hereby invited to submit your interest for the A/C.

The A/C were procured through the Foreign Military Sales (FMS) program, and upon identifying potential candidates with necessary supporting documentation, the transfer of the A/C will be subject to a Third Party Transfer (TPT) review at US DoS PM/RSAT. US DoS PM/RSAT is hereafter referred to as US DoS.

The Aircraft were acquired by the Norwegian Armed Forces in 1969, and they were flown to Arizona, USA in 2008/2009 for long-term storage. The Aircraft were flown to AMARG, Tucson, Arizona, USA, after first having undergone a B or C inspection. The Aircraft were preserved on type 1000 from 2008/2009, and the preservation was changed to type 1500 in August 2014. The Aircraft was last inspected in May 2014 and March 2015, no further known preservation have been requested. The Aircraft configuration have previously been referred to as C-130E\* models, however NDMA is referring to the Aircraft configuration as C-130H models.

#### **3.1 Disclaimer**

NDMA is providing the attached data for information only. While it is believed to be correct at time of printing, NDMA will not be responsible for errors or omissions. It is a potential buyer's responsibility to verify all information and equipment before concluding an agreement to purchase.

Until a sales contract has been signed, there may be changes to the surplus spare parts and components list.

NB! NDMA will on contract signing, operate with an uncertainty percentage of approximately 10% on Annex 6: C-130H inventory spare parts and components. The uncertainty percentage is due to the shear amount of spare parts on stock.

#### **3.2 Prudence, Non-disclosure and Conflict of Interest**

Enclosed is the Norwegian Armed Forces guideline for Prudence, Non-disclosure, and Conflict of Interest.

#### **3.3 Confidentiality**

NDMA will treat all information related to the Offer and the Proposer's financial situation in a confidential manner.

### **3.4 AS IS WHERE IS**

The C-130H will be sold "As IS WHERE IS". The proposer(s) will be responsible for determining the condition of the materiel prior to purchase. Discrepancy- and/or deficiency reports will not be accepted at any time prior to or after the sale.

### **3.5 US Arms Export Control Act**

"The C130H Aircraft for sale is of US origin and the buyer must comply with the US Arms Export Control ACT (AECA). 22 U.S.C. 2778 of the Arms Export Control Act (AECA) provides the authority to control the export of defense articles and services, and charges the President to exercise this authority. Executive Order 11958, as amended, delegated this statutory authority to the Secretary of State. The International Traffic In Arms Regulation (ITAR) implements this authority"

## **4 The sales process**

The A/C is preferred to be sold Government to Government, or to a company that can provide a copy of a government contract, stating that they have a valid contract to operate C-130 Aircraft. If the proposed end-user is a private entity, a government contract with at least three (3) to five (5) years remaining lifetime is necessary in order to participate in the sales process.

The A/C will be sold:

1. "AS IS WHERE IS"
2. Without OEM certificates
3. The Norwegian government will not be leasing out the A/C

### **4.1 Evaluation Criteria**

1. The contract is awarded to the Proposer who submits the most economically advantageous offer. NDMA reserves the right to, at its own discretionary judgement, decide which offer is the most economical advantageous offer. This indicates that the highest bid not necessarily will be chosen
2. A private entity who is not in possession of an existing government contract to operate C-130 Aircraft, will not be considered to be a qualified end-user
3. A government as the proposed end-user will be preferable to a private entity. Offers considering this will be preferred

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4. NDMA emphasises the importance of selling the A/C in one lot. Offers considering this will be preferred
5. A “tear down” of the A/C, for the intent of spare parts utilization for resale, is not a preferred solution. However, if a “tear down” is to be considered, an EUA (from the final end-user) for each of the spare parts and components has to be provided
6. A company who intend to utilize the A/C for the purpose of reselling them is deemed to be an intermediary by NDMA. This consideration is taken, since the intermediary is not the final end-user. NDMA prefers to both negotiate and write the sales contract with either an end-user who is in possession of an existing government contract to operate C-130 Aircraft, or a Government End-User. Intermediaries may participate in the sales process, if requested, however NDMA may decide not to recommend NMFA, US DoS or NMoD to approve a sale to said party, due to End-Use uncertainties. A sale to intermediaries is not a preferred solution
7. Non-preferred end-users (intermediaries) may be subject to further questioning, due to end-use uncertainties
8. State owned corporations will be treated either like a private entity or as an intermediary, as applicable, based on the proposed end-use

NDMA may upon having received the documentation listed below (minimum requirements), forward a request for a temporary TPT for Marketing - to inspect the A/C on the proposed end-user`s behalf. An approval of this TPT does not mean that a potential sale of the A/C would automatically be approved or even have a better chance.

#### **4.2 Minimum requirements**

From experience NDMA know that there are interested parties whom do not meet the minimum requirements to participate in the sales process. NDMA has therefore listed the minimum requirements below. To at all be considered, all interested parties will need to adhere to these. Failure to comply will result in a disqualification to participate in the sales process.

#### **4.3 Minimum end user requirements**

In order to become a qualified candidate, the proposed end-user must provide the following documentation:

1. EUA, Private Entity Assurance\*
2. Country Over Private Entity - COPE\*
3. A government contract for the end-user\*\*
4. EUA, Standard Assurance Country\*\*\*

\*This applies if the proposed end-user is a private entity. NB! It needs to be listed on the EUA that the end-use is “marketing to inspect the aircraft”

\*\*This applies if the proposed end-user is a private entity. A Letter Of Intent (LOI) is not considered to be valid documentation. The contract must state; that the proposed end-user is in possession of a government contract to operate C-130 aircraft for a minimum period of three to five years

\*\*\*This applies if the proposed end-user is a State/Country

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Failure to provide the documentation listed above (steps 1 through 4) will result in a disqualification to participate in the sales process.

The Proposer may contact USA Security Cooperation Organization / Office of Defence Cooperation (ODC) at his local US Embassy for help with the above stated assurances.

#### IMPORTANT NOTICE!

- A COPE does not need to be provided for the inspection of the aircraft, it only need to be provided if the end-user wish to bid on the aircraft.
- A COPE is not necessary to be provided for US companies.
- A country that has provided blanket end-use, retransfer, and security assurances applicable to the receipt of third party transfers of defence articles, related training, or other defence services originally sold or granted by the United States Government, will not have to provide an EUA. If the Proposer has a blanket assurance from the US Government, this must be reported back to the NDMA.

#### 4.4 Background check requirements

**A background check applies if the proposed end-user is a private entity and/or if an intermediary is involved**

Any private entities that want to participate in the sales process is hereby notified, that NDMA will conduct a background check of said company and their intermediary. It is expected that private entities provide any information as requested and deemed necessary by NDMA.

All new relevant information which NDMA obtain, throughout the sales process, may be forwarded to NMFA, NMoD and US DoS for review. NDMA reserves the right to end all discussions, if we receive information that does not comply with the criteria's set by US DoS, NMFA and NMoD.

All private entities (proposed end-user) must provide the following documentation:

1. Who is the owner of the company
2. Company structure (parent- and/or daughter company)
3. A list of all board members
4. What is the purpose of the company and history
5. What is the liquidity, equity and the indebtedness of the company
6. The last available revised financial statement (notarized copy)
7. The Bidder shall submit a Certificate issued by the Authorities in the country in which the Bidder is established, confirming that the Bidder has paid all official taxes
8. The company registers form
9. References and previous customer lists (with POC details)
10. Name of government agencies, with POC details, that can confirm steps 1 through 8

Failure to provide the documentation listed above (steps 1 through 10) will result in a disqualification to participate in the sales process.

Any intermediary involved in the process is asked to provide the following documentation:

1. The same information as listed above (steps 1 through 10) applies to any intermediaries involved

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2. The proposed end-user needs to confirm the working relationship between the Proposer and the Agent (intermediary)

Failure to provide the documentation listed above (steps 1 and 2) will result in a disqualification to participate in the sales process.

#### **4.5 End-User assessment**

The final end-user (and intermediaries involved) may be subject to a preliminary assessment by NDMA, NMFA, NMoD and/or US DoS. If the proposed end-user (and/or intermediary) is not preliminary assessed to qualify through the necessary steps of RFP, Phase 1, NDMA will respectfully end all further communication. A preliminary approved assessment does not mean that a potential sale of the A/C would automatically be approved or even have a better chance.

#### **4.6 Intermediaries**

A company who intend to utilize the A/C for the purpose of reselling them is deemed to be an intermediary by NDMA. This consideration is taken, since the intermediary is not the final end-user. NDMA prefers to both negotiate and write the sales contract with either an end-user who is in possession of an existing government contract to operate C-130 aircraft, or a Government End-User. Intermediaries may participate in the sales process, if requested, however NDMA may decide not to recommend NMFA, US DoS or NMoD to approve a sale to said party, due to End-Use uncertainties. A sale to intermediaries is not a preferred solution.

If the Proposer, end-user, chooses to use an agent/intermediary, the proposer shall in writing confirm the working relationship between the proposer and the agent/intermediary. In cases where more than one intermediary represents the same end-user, NDMA will contact the proposed end-user to find out who is the end-user's preferred intermediary. NDMA will only communicate with one (1) intermediary per proposed end-user. NDMA will only continue discussion with the company which the proposed end-user prefers to have as their intermediary. If your company is not the proposed end-user's preferred intermediary, NDMA will respectfully end all further communication with your company.

No intermediaries will in any way represent the Norwegian government, nor will NMDA in any way be financial responsible towards any intermediaries that represent a proposed end-user.

#### **4.7 Proposer's Costs**

Neither the RFP, nor the submission of the Offer, shall in any way commit NDMA to enter into a contract with the proposer, or involve NDMA in any financial commitments. NDMA will not under any circumstances refund the Proposer any of the costs arising from making, submitting, and following up of the Offer.

#### **4.8 Contract**

NDMA prefers to handle all communication with the proposer, end-user, when a preferred end-user of the sales process has been chosen. NDMA prefers not to have any intermediaries as part of the

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contract process between NDMA and the proposed end-user. The sales contract is preferred to be signed by the proposed end-user and NDMA, without involvement of intermediaries.

## 5 Further steps

Interested parties who fulfill the minimum requirements will receive further information, when:

1. Only after NDMA has been provided with all the correct documentation as stated above
2. After the inspection, if the proposer wishes to bid on the A/C, a new EUA has to be issued, stating “a permanent transfer of the A/C to the proposed end-user”
3. If the proposed end-user is a private entity the following applies: after the inspection, if the proposer wishes to bid on the A/C a COPE document needs to be presented

NMFA follow these guidelines (among others) in respect to export of defence articles:

- not allow sales to areas where there is war or threat of war, or to countries where there is civil war. Furthermore not allow sales to areas where there are violations of either democratic- or fundamental human rights present, or where it is suspected that the equipment will be used for internal repression or international terrorism.

### 5.1 Inspection(s) and meetings

Discussions regarding inspection(s) of the A/C and meetings will only take place with candidates who fulfill the requirements listed above.

### 5.2 Sales process

Discussions regarding the sales process will only take place with candidates who fulfill the requirements listed above.

### 5.3 Timeframe

NDMA expect that all interested parties forward all necessary documentation and information listed in this document, within the 15<sup>th</sup> of June 2018.

Please be aware that it can take three (3) months (or longer) to receive an answer on a temporary TPT request for Marketing - to inspect the A/C.

NDMA reserves the right to extend the timeframe if deemed necessary.

### 5.4 Communication with NDMA

All communication shall be in English. NDMA wants to make the sale process as transparent as possible, and we urge all interested parties to conduct all enquiries by e-mail. Please feel free to contact NDMA with any questions you may have.

Please note that NDMA have limitations with the size of e-mail files that can be received. Interested parties must limit all e-mails to a maximum size of 10 MB.

### 5.5 Acknowledgement of Receipt of RFP

The proposer (end-user) must acknowledge receipt of the RFP by e-mail, in order to continue being listed as an interested party. Failure to inform NDMA that you intend to bid on the aircraft, will result in your company not receiving additional information from NDMA regarding the sales process.

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## 5.6 Amendments to the Request for Proposal

NDMA reserves the right to amend the RFP. Any amendments will be distributed simultaneously to all Proposers who have confirmed that they intend to submit an offer, ref Acknowledgement of Receipt of RFP. Amendments and additional information may also be published on the NDMA website, in such case, no e-mail notifications will be sent.

## 6 Summary

NDMA welcome all interested parties to take part in the sales process. After an inspection, if the proposed end-user wishes to bid on the A/C, and if NMFA, NMoD and US DoS approve on a sale, it will need a separate TPT request. If the proposed end-user is a private entity it will also need a new Private Entity Assurance stating the permanent end-use and a COPE has to be issued.

Sincerely

Norwegian Defence Materiel Agency

## 7 Applicable documents

- As listed on the NDMA website