

Island Aviation Services Limited

# REQUEST FOR PROPOSAL

Financing of two (2) ATR 72-600 & one (1)  
ATR 42-600 aircraft

DATE: JANUARY 21<sup>ST</sup>, 2022

## SUMMARY

Island Aviation Services Ltd (IASL) is a hundred percent government owned limited liability company established by a presidential decree on 13th of April, 2000. The company was initially established as an airline catering for the ever-growing demand for a domestic transport network. During a span of more than twenty-one years, the company has managed to become an established business operating an International airline all while providing a variety of services within the aviation industry.

IASL is the owner and operator of the National Airline of the Maldives, *Maldivian*, and is a hundred percent government owned limited liability company. The company operates its flights out of its primary hub in Velana International Airport (IATA: MLE; ICAO: VRMM).

The company initially provided domestic air transfer services to the regional airports within Maldives, along with being the handling agent for passenger, baggage and cargo as well as operating the CIP lounge at Velana International Airport (VIA). Since then, the airline operations of the company have grown to include International and Seaplane air transfer services while the airport ground handling services has been since reassigned to the Airport Operator at VIA. In addition to providing air transfer services domestically and internationally with a broad fleet consisting of Jet, Regional and Seaplane aircrafts, Island Aviation Services, under the brand name *Maldivian*, provides a diversified range of services related to the aviation industry. The company currently provides Airport Lounge Services, Airport Management Services, Engineering Services, Cargo Services as well as Travel Agency Services in addition to the core service of Airline.

*Maldivian* operates to more than 16 Domestic Airports with the current fleet of Regional Turboprop Aircrafts.

In order to comply with IASL's operational and expansion plan, Island Aviation Services Limited have entered into a Heads of Agreement (HoA) with Avions de Transport Regional, G.I.E (ATR) for the acquisition of two (2) ATR 72-600 aircrafts and one (1) ATR 42-600 aircraft. The parties to the Agreement are in the process of finalizing the Sale and Purchase Contract for the aircrafts. We now invite all interested parties to submit proposals for the financing of the aircrafts as per the terms and conditions of this RFP.

**DISCLAIMER**

This Request for Proposal (RFP) is not an agreement and is neither an offer. The purpose of this RFP is to provide interested parties with information that may be useful to them in the formulation of their Proposals pursuant to this RFP.

IASL may in its absolute discretion, but without being under any obligation to do so, update, amend, modify or supplement the information, assessment or assumption contained in this RFP.

The issuance of this RFP does not imply that IASL is bound to select a party to fulfill the financing requirements and IASL reserves the right to reject all or any of the Proposals without assigning any reasons whatsoever and take any measures that it deems fit, including annulment or withdrawal of the RFP process (in whole or in part), at any time prior to the selection of the aircraft and without any liability or obligation or notice for such acceptant, rejection, withdrawal or annulment.

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### TENTATIVE PROCUREMENT SCHEDULE

The tentative procurement schedule for this procurement is as follows:

Date	Item
Friday, January 21, 2022	Request for Proposal released
Friday, January 28, 2022	Request to participate in the information session
Monday, January 31, 2022	Information session
Friday, February 04, 2022	Notices and clarifications due before
Sunday, February 06, 2022	Response to inquires
Friday, February 11, 2022	Proposal submission deadline
Thursday, February 17, 2022	Technical evaluation, shortlisting and informing shortlisted parties
Tuesday, February 22, 2022	Board approval

The above schedule is subject to change. All changes shall be communicated to Parties through email.

This document contains instructions on the preparation and submission of the Application. All tender documents will be posted in <https://maldivian.aero/media/>



**AIRCRAFT INDUCTION TIMELINE AND INDICATIVE FINANCING AMOUNT**

<b>Aircraft</b>	<b>Aircraft Type</b>	<b>Scheduled Delivery Month</b>	<b>Indicative Financing Amount</b>
Aircraft 1	ATR 72-600	October 2022	US\$20,000,000.00
Aircraft 2	ATR 72-600	October 2022	US\$20,000,000.00
Aircraft 3	ATR 42-600	November 2022	US\$16,500,000.00

### INFORMATION SESSION

Information session will be conducted online through Microsoft Teams on January 31<sup>st</sup>, 2022.

Interested parties that would like to participate in the information session are requested to send in a formal request to participate in the information session to [procurement.admin@iasl.aero](mailto:procurement.admin@iasl.aero), before 1600hrs, local time in Maldives (GMT + 0500hrs) on January 28<sup>th</sup>, 2022.

The email must be clearly marked “REQUEST: TO PARTICIPATE IN INFORMATION SESSION ON ATR AIRCRAFT FINANCING” in the subject. IASL will not be responsible for missed emails due to the emails not being marked.

Island Aviation shall forward the meeting link only to the interested parties that request to participate in the information session. Ineligibility to participate in the information session does not disqualify a party from participating in the RFP process.

**NOTICES AND CLARIFICATIONS REQUESTED BY THE APPLICANTS**

Inquirers or requests for additional information on any aspect of the RFP bidding process, must be sent via e-mail, on or before February 04<sup>th</sup>, 2022 to [procurement.admin@iasl.aero](mailto:procurement.admin@iasl.aero) and copied to [mohamed.ziyau@iasl.aero](mailto:mohamed.ziyau@iasl.aero). All queries submitted shall be clearly marked "CLARIFICATIONS: ON RFP FOR ATR AIRCRAFT FINANCING" in the Subject. IASL cannot be responsible for missed emails due to the emails not being marked or sent to incorrect addresses.

Any clarifications originated by Island Aviation will be distributed to all interested parties.

All notifications, communications, or clarifications regarding the bidding process from Island Aviation will only be issued by Procurement Admin ([procurement.admin@iasl.aero](mailto:procurement.admin@iasl.aero)).



### **SUBMISSION OF PROPOSAL**

Interested Applicants that meet the eligibility criteria shall submit the Proposals along with the completed clearly marked “RESPONSE: TO RFP FOR ATR AIRCRAFT FINANCING” in the Subject along with the supporting documents on February 11<sup>th</sup>, 2022 between 1600hrs and 1800hrs local time in Maldives (GMT + 0500hrs) to [q2.rfp.atr@iasl.aero](mailto:q2.rfp.atr@iasl.aero). IASL cannot be responsible for missed emails due to the emails not being marked or sent to incorrect addresses.

Applicants shall warrant the veracity of all the information and/or data provided in their bid. Applicant shall be the solely responsible for the false information included therein or any omissions.

Island Aviation will not accept proposals from brokers or intermediaries.

## GENERAL INFORMATION

### FINANCING OBJECTIVE

IASL's objective is to achieve the lowest possible overall cost of finance having due regard to the amount of financing raised, the repayment profile, and the level of flexibility and risks inherent in the structure.

The award of any financing mandate will be at the sole discretion of IASL.

### PRESENTATION

You will find attached a presentation on IASL. Also attached are projections regarding IASL's operations.

### FINANCIAL ADVISER

IASL reserves the right to appoint a financial adviser to assist in the evaluation of the proposals received.

### LEGAL COUNSEL

Your proposal should state whether you would be using your internal legal counsel for this transaction or, if applicable, the name of the external legal counsel representing your institution or bidding group.

IASL is in the process of appointing their legal counsel for this transaction.

### CONFIDENTIALITY

This request for proposal is submitted on the basis that it be classified as strictly private and confidential. This request for proposal comprises commercially sensitive information and must not be disclosed, in whole or in part, to any third party without IASL's prior written consent, except to employees of the recipient who have a need to know for the purpose of preparation and submission of a proposal. Should you decide not to respond to this request for proposal, you are requested not to make any copy and to destroy any information sent to you with respect to such request for proposal (together with the materials attached to it) from your systems.

## INSTRUCTION TO PARTIES

### PURPOSE

Island Aviation Services Limited, having its registered office at M. Dhar Al-Eiman Building, Majeedhee Magu, Male' City 20345, Republic of Maldives, is interested in selecting parties to finance the two (2) firm ATR 72-600 and one (1) ATR 42-600 Aircraft from ATR (the "Aircrafts") acquired via HoA. IASL invites sealed Proposals valid for 90 (ninety) days from the date of opening the Proposals from companies willing to finance the Aircrafts as required as per the terms of this document.

### FORM OF APPLICATION

1. Applicants should read all the terms and conditions in the RFP fully and carefully, and any application submitted pursuant hereto shall be deemed accepted thereof.
2. Applications submitted in any form or on terms other than those prescribed in the RFP shall not be considered.

### PRINCIPAL TERMS AND CONDITIONS FOR FINANCING

1. Type of Financing – IASL is open for financing options that generally fall into either of the following categories:
  - 1.1. Bank Loan/Credit Facility
  - 1.2. Sale and Lease Back (SLB) Structures - IASL will consider SLB proposals, and/or proposals for SLB structures, if IASL will have the right to call for ownership of the Aircraft prior to or at the end of the lease term. The bidders can opt to offer the proposal under the following structures:
    - 1.2.1. Finance Lease
    - 1.2.2. Operating Lease
2. Rates – The preference will be given for options offered with fixed interest rates.
3. Currency of Financing – The functional currency of the financing shall be US Dollar.
4. Economic Terms of the Proposal – The financing proposal should be in the form of a detailed term sheet, setting out all other material terms and conditions that would apply to the transaction. You are also requested to describe any material risk that may adversely affect your ability to complete the transaction on the terms described and to indicate whether the financing will be arranged through a single institution or a syndicate of international institutions. The financing proposal must clearly set out all of the economic terms, including:
  - 4.1. the amount to be financed
  - 4.2. the repayment terms, including of grace period where applicable, and all cash flows to/from IASL
  - 4.3. payment of maintenance reserves, if any
  - 4.4. the applicable rate of interest and the basis for its calculation
  - 4.5. any up front and/or annual fees (including agency fees)
  - 4.6. prepayment penalties (if applicable) and/or funding breakage costs
  - 4.7. apportionment of ongoing risks between parties
  - 4.8. whether your financing proposal assumes export credit support
5. Transaction Costs – The proposal should clearly identify and quantify transaction costs you would wish IASL to bear.
6. Security Requirements – Details of any security requirements shall be specified in the proposal.

### DOCUMENTS REQUIRED

The Financing Proposal shall accompany the following documents:

1. Cover Letter: The cover letter for the proposal must be signed by an authorized person who has the authority to bind the Proposal to a Contract
2. Company's legal documentations
3. Company Profile including the portfolio

4. 3 Years Audited Financials of the Bidder
5. Testimonials or Customer Reference
6. Signed RFP Application Form (Form A) along with documents included in the checklist
7. Declaration on Pending Litigation (Form B)
8. Related Party Disclosure (Form C)
9. Statement of Legal Capacity (Form D)

#### GENERAL

The Application must be submitted in the English language. All required information must be provided, responding clearly and concisely to all the points set out. Any application which does not fully and comprehensively address this Request for Proposal may be rejected.

Island Aviation holds the right to reject a Proposal in the following circumstances:

1. If less than two Parties have been submitted from each category, the Island Aviation has the right to continue or reject the evaluation or request for a resubmission of that category.
2. If any of the documents mentioned above in the documents required is missing from the Proposal the Island Aviation has the right to reject the evaluation or request for a resubmission

Applications shall be evaluated based on the types of the financing proposal.

Applications may be modified or withdrawn in writing, prior to the closing time specified in this Request for Proposal. Applications shall not be modified or withdrawn after the deadline.

Parties shall bear all costs associated with the preparation and submission of the Application and Island Aviation will not in any case be responsible and liable for the costs incurred.

All information given in writing to or verbally shared with the Party's in connection with this Request for Proposal is to be treated as strictly confidential. The Party's shall not share or invoke such information to any third party without the prior written approval of Island Aviation. This obligation shall continue after the procurement process has been completed whether or not the Party is successful.

All materials submitted in Response to the Request for Proposal shall become the property of Island Aviation. Proposals and supporting materials will not be returned to the Party.

Island Aviation further reserves the right to accept or reject any Application, and to cancel the procurement process and reject all Applications, at any time without thereby incurring any liability to the affected Party's or any obligation to inform the affected Parties of the ground for Island Aviation's action.



**REQUEST FOR PROPOSAL APPLICATION FORM (FORM A)**

<b>COMPANY INFORMATION</b>	
Company Name	
Correspondence Address	
Registered Address	
Date of Incorporation	
Name of Representative	
Designation of Representative	
Contact No.	
Email Address	

<b>COMPANY OPERATION</b>	
Business Sector	
Details of Business / Work	
No. of Employees	
Previous Experience	

REQUIRED DOCUMENTS		TICK IF SUBMITTED	
		PARTY	IASL
1	Company's Legal Documentation		
2	Cover Letter		
3	Company Profile including the portfolio		
4	Financial Proposal		
5	3 Years Audited Financials of the Bidder		
6	Testimonials or Customer Reference		
7	Signed RFP Application Form (Form A)		
8	Declaration on Pending Litigation (Form B)		
9	Related Party Disclosure (Form C)		
10	Statement of Legal Capacity (Form D)		

**DECLARATION ON PENDING LITIGATION (FORM B)**

*[On the letter head of the Applicant]*

Island Aviation Services Limited  
M. Dar Al-Eiman Building,  
Majeedhee Magu,  
Male' 20345,  
Republic of Maldives

[Date]

Dear Sir/ Madam,

**Subject: Declaration on Pending Litigation for ATR Aircraft Financing (2022)**

I hereby declare that there is no action, suit, proceeding, investigation or litigation pending or, to our knowledge, threatened, which either in any one instance or in the aggregate, if determined adversely to us would materially and adversely affect the execution or progression of the Project, or our ability to perform its obligations under the Agreement/Contract for the execution of the Project. I hereby declare under penalty of perjury that the foregoing is true and correct.

Yours sincerely,

[Name of signatory]

[Title]

Note: 1. This document is required to be notarized from a registered Notary Public.

**RELATED PARTY DISCLOSURE (FORM C)**

*[On the letter head of the Applicant]*

Island Aviation Services Limited  
M. Dar Al-Eiman Building,  
Majeedhee Magu,  
Male' 20345,  
Republic of Maldives

[Date]

Dear Sir/ Madam,

**Subject: Related Party Disclosure for ATR Aircraft Financing (2022)**

With the exception of the below specified, I hereby declare that we, the party is in no way, shape or form related to Island Aviation; created either through an employer-employee agency relationship between employees or directors of Island Aviation or by way of ownership of Island Aviation.

Name of the Related Party	Designation of the Related Party	Relationship

Yours sincerely,

[Name of signatory]

[Title]

- Note:
1. Related parties for this purpose include:
    - 1.1. Employees or directors of the Company
    - 1.2. Close family members of any employee/ director of the Company. Close family members here refer to spouse, including former spouse relatives, which comprise: siblings, cousins, uncles and aunts, nephews and nieces, lineal ancestors (presumably, it means parents, grandparents and other ancestors of direct lineage), lineal descendants (children, grandchildren and other direct descendants).



**STATEMENT OF LEGAL CAPACITY (FORM D)**

*[On the letter head of the Applicant]*

Island Aviation Services Limited  
M. Dar Al-Eiman Building,  
Majeedhee Magu,  
Male' 20345,  
Republic of Maldives

[Date]

Dear Sir/ Madam,

**Subject: Statement of Legal Capacity to ATR Aircraft Financing (2022)**

I hereby confirm that we, the Applicant satisfy the terms and conditions laid down in the RFP document.

I have agreed that ..... (insert individual's name) will act as our Authorized Representative on our behalf and has been duly authorized to submit our Proposal. Further, the authorized signatory is vested with requisite powers to furnish such proposal and all other documents, information or communication and authenticate the same.

Yours sincerely,

[Name of signatory]

[Title]

- Note:
1. This document is required to be notarized from a registered Notary Public.
  2. This letter shall be executed by an authorized personnel from the submitting party (i.e. Legal Representative or Chief Executive)

**ANNEXURE I – ONLINE BID SUBMISSION GUIDELINE**

1. Submission Timeline: All bidders are requested to submit the proposals between 1600hrs and 1800hrs local time in Maldives (GMT + 0500hrs) on February 11<sup>th</sup>, 2022 as per the Tentative Procurement Schedule.
2. Mailing Proposals: All the bidders are advised to lock their proposal using a zip file and then mail it to [q2.rfp.atr@iasl.aero](mailto:q2.rfp.atr@iasl.aero) and copied to [mohamed.ziyau@iasl.aero](mailto:mohamed.ziyau@iasl.aero), within the mentioned above timeframe.
3. The bidders are requested to forward the password(s) to access the files between 1900hrs and 2000hrs local time in Maldives (GMT + 0500hrs) on February 11<sup>th</sup>, 2022.
- 3.1. Note: Bids submitted by any party that does not share the password during the specified time period shall be disqualified, as the bid document cannot be accessed by the team in the absence of the submitting party's password. IASL will not take responsibility for any Bid that gets disqualified due to the party's failure to share the Password for document access.
4. Mail Capacity: The maximum capacity of a single mail is 25mb. Therefore, Bids that are larger than 25mb must be emailed in separate emails to the submission email thread [q2.rfp.atr@iasl.aero](mailto:q2.rfp.atr@iasl.aero) within the instructed timeframe.