

Air Services Contracts

- Fixed Wing Scheduled Services – Beluga P.P.
- Fixed Wing Ad Hoc Services
- Helicopter Services

Proposal Process

- Initial Helicopter Request for Proposals (RFP) – 4th Qtr. 2005

- Combined Air Services Proposal
 - Possible savings – combined services
 - Change in coverage for Helicopter Services

- Standardize requirements to service Chugach
 - Company stability & qualifications
 - Maintenance requirements
 - Pilot experience & qualifications
 - Ancillary needs (standby, parking, freight, etc.)

Fixed Wing Scheduled Service Beluga Power Plant

- One proposer
 - Current Contractor: ERA Aviation, Inc.
 - Rates same as current
 - Escalation schedule for the contract term
 - All inclusive price except - Fuel surcharge
 - Recommendation – Initiate new contract with Proposer

Fixed Wing Ad Hoc Service

- Two proposers

- Nothing gained in the proposals

- Rates same as current ad hoc service

- Recommendation: No contract, further investigation

Helicopter Services

- Two proposers
 - Evergreen Helicopters & Last Frontier Air Ventures
 - Risk decisions – 13 hour/5 day; 13 hour/6 day; 13 hour/7day;
24 hour/7 day
 - Possible savings by utilizing reduced Helicopter availability

Helicopter Services Comparison

➤ Evergreen Helicopters

- Current Contractor
- Aircraft: Bell 206L3
- Monthly charge: \$46,000.00
- Flight hour/wet: \$585.00
- Fuel Cap: \$2.50/gal

➤ Last Frontier Air Ventures

- Aircraft: A-star 350BA or 350B2
- Monthly charge:
 - 24/7 – B2: \$52,000.00
 - 24/7 – BA: \$45,000.00
 - 13/5 – BA: \$33,000.00
 - 13/6 – BA: \$36,000.00
 - 13/7 – BA: \$39,000.00
- Flight hour/wet: \$450.00 (BA)
- Flight hour/wet: \$550.00 (B2)
- Fuel Cap: \$2.50/gal.

Helicopter Services

Potential Savings –vs- Risk

➤ Risk

- Emergencies (not 24/7)
- Ad hoc service may not be available
- Known current carrier, with excellent safety record
- New carrier with four years experience in utility service

➤ Potential Savings

- Negotiate split year with 13/5 during the winter (November 1 through March 31); 13/6 during the summer (April 1 through October 31)
- Potential savings between \$150K to \$180K annually during the three year contract

Helicopter Services

- Risk: Emergency coverage
- Benefits: Cost savings
- Recommendation: Initiate three year contract with Last Frontier Air Ventures