

SOUTH AFRICAN



***CIVIL AVIATION
AUTHORITY***

**TENDER REQUEST FOR INFORMATION (RFI) – SACAA
FINANCING OF AIRCRAFT FOR THE FLIGHT INSPECTION
UNIT**

**FINANCING OF THE ACQUISITION OF A NEW OR
PREVIOUSLY OWNED AIRCRAFT FOR THE FLIGHT
INSPECTION UNIT VALUED AT APPROXIMATELY
USD 8 MILLION OVER A 20 YEAR PERIOD**

TERMS OF REFERENCE FOR
FINANCING OF THE ACQUISITION OF A NEW OR PREVIOUSLY OWNED AIRCRAFT
FOR THE FLIGHT INSPECTION UNIT VALUED AT APPROXIMATELY USD 8 MILLION
OVER A 20 YEAR PERIOD

1. INTRODUCTION

The South African Civil Aviation Authority (SACAA) is a Schedule 3A public entity in terms of the Public Finance Management Act ("PFMA"). It was established on the 1st of October 1998, following the enactment of the now repealed South African Civil Aviation Authority Act, 1998 (Act No.40 of 1998), which is wholly repealed by the Civil Aviation Act, 2009, (Act No.13 of 2009).

The Act provided for the establishment of a stand-alone authority charged with promoting, regulating and enforcing civil aviation safety and security. It reflected the Government's priorities and was in line with international trends in the aviation world where more and more states implemented this option. The SACAA is an agency of the Department of Transport (DoT).

The above is to be achieved by complying with the Standards and Recommended Practices (SARPs) of the International Civil Aviation Organisation (ICAO), whilst considering the local context.

2. BACKGROUND AND CONTEXT

The South African Civil Aviation Authority has a regulatory requirement to maintain and improve safety in aviation in South Africa. The Flight Inspection Unit is an integral part of the SACAA performing all flight inspections of radio navigational facilities within the Republic of South Africa, including the military, and in most neighboring states.

Flight Inspection encompasses all tests carried out in the air by trained Flight Inspectors and Pilots in a specially equipped aircraft, to establish the validity of signals in space of radio navigational facilities, satellite based navigational procedures and the proper installation of aerodrome and visual aids. All flight inspection tests are performed within the legally established intervals to the accepted ICAO Standards and Recommended Practices.

The Flight Inspection Unit (FIU) was first established by the Directorate of Civil Aviation, Department of Transport in 1953. In 1988 the flight inspection function with all its assets was transferred to the South African Civil Aviation Authority (SACAA). The FIU has always owned and operated a dedicated flight inspection aircraft.

Due to the age of the current flight inspection aircraft, a 1985 Cessna Citation SII, a replacement aircraft is currently being sought through a separate tender process. The SACAA objective is to replace the present aircraft with a new or previously owned aircraft to enhance the operating performance and efficiency.

3. INVITATION TO BID

SACAA invites suitable commercial banks to submit responses for the financing of the acquisition of a new or previously owned aircraft valued at approximately USD 8 million over a 20 year period.

4. DURATION OF SERVICE

SACAA intend to enter into a financing agreement with the commercial bank for a period of twenty years (20) years in line with the expected useful life of the underlying asset.

5. DESCRIPTION OF SERVICE

SACAA invites suitable commercial banks to submit responses for the financing of the acquisition of a new or previously owned aircraft valued at approximately USD 8 million over a 20 year period.

The proposal should cover the following minimum requirements:

5.1. General Requirements

	Requirement	Information
5.1.1	Value	The SACAA received approval to borrow funds up to the ZAR equivalent of USD 8 million was received from National Treasury in terms of section 66(3)(c) of the Public Finance Management Act.
5.1.2	Term	The SACAA submitted a business plan over a period of 20 years in support of its submission to National Treasury and expect the term of funding to reflect the above mentioned estimated useful live.
5.1.3	Ownership	The SACAA wants to retain ownership of the aircraft.
5.1.4	Security	The SACAA is willing to offer the aircraft as underlying security . The SACAA cannot offer any other assets, bank guarantees or liens as security. Department of Transport offered an undertaking, that should SACAA fail to meet its commitment, funds from the Transport Vote will be reprioritized for the funding.
5.1.5	Interest rate	Interest rates need to be quoted in relation to the current Prime lending rate and need to be in a NACM (Interest compounded monthly) format.

6. EVALUATION PHASES

Not applicable

7. BRIEFING SESSION

Not applicable

8. SUBMISSION OF RFI DOCUMENT

8.1. Bidders must package their submission neatly in one envelope. SACAA will not be held responsible for any loss of documents whatsoever.

8.2. Detailed Company Profile including:

- 8.2.1. Physical work address;
- 8.2.2. Ownership of the bidder;
- 8.2.3. Proof of relevant expertise and experience; and
- 8.2.4. References on similar projects.

8.3. Submission of Proposals

All bids submissions should be deposited/ delivered at our Tender Box on or before **11:00am** on the closing date of **17 May 2019**.

Attention: Madumetsa Thobakgale
FINANCING OF AIRCRAFT ACQUISITION
South African Civil Aviation Authority
Building 16, Treur Close
Waterfall Park, Bekker Street,
Midrand

Bidder(s) must take pride in preparing their response(s) and submit a neat and clearly marked document as per the description above.