

Nassau Flight Services Ltd.

Request for Proposal

Frequently Asked Questions (FAQ's)

ADDENDUM #1

Questions 1-3:

1. Will the Government of the Bahamas absorb any staff restructuring cost for Nassau Flight Services?
2. What is the payroll liability related to severance and other benefits due to staff?
3. Currently staff are employees of the Government of the Bahamas. How will they be transitioned to the private sector with a different salary and benefit structure?

RFP: In the event of a Sale or Franchise Arrangement, all existing employees will be paid out by the Government in accordance with their Industrial Agreement or the Employment Act, whichever is more favorable. No new Owner or Franchisee shall be liable for any disengagement costs associated with either proposition. A new Owner or Franchisee shall engage their own employees with salary and benefit structures that fit their business model.

Question 4

Can I obtain a copy of all material contracts?

RFP: A list of all contracts with general information can be accessed via the Government's Website (Bahamas.gov.bs)

Question 5

Can I obtain a copy of the relevant Labor Agreement?

RFP: A copy of the relevant Labor Agreement between the Airport, Airline and Allied Workers Union (AAAWU) and NFS forms part of the Request for Proposal Document.

Question 6

Can the current timelines be extended to facilitate further research?

RFP: Timelines have been duly extended to facilitate varying requests for same. An Official Notice has been published in the daily Gazettes in addition to posting on the Government's website.

Question 7

I note that 2016 is the last set of audited financial statements for the company and wish to confirm if there was any possibility of getting audited statements for 2017 and/or 2018 before the deadline for submissions?

RFP: 2017 Audited Financial Statements are posted; however, 2018 Audit has not started. There is a summary spreadsheet that is posted that includes Audited Results up to 2017 and management reports for 2018.

Question 8

Is there a fixed asset schedule? Can you provide a fixed asset register of all of the equipment that is owned by the company along with purchase dates and costs as well as a condition report? Alternately, is it possible to still physically view the fixed assets against the register and or engage with any of the engineers/mechanics regarding the equipment?

RFP: Most of the Fixed Assets (Equipment) are at end of life and completely depreciated. A Fixed Asset Register is posted as an attachment/included in the RFP document. It is not possible to engage discussions with the mechanics etc.; however, the Fixed Assets were available for inspection during the non-mandatory walk through visit.

Question 9

Under accounts payables, there seems to be several outstanding balances due to various Government agencies, under the RFP process does the government intend to write off these expenses or is it expected that the new successful bidder will be required to settle all of the same?

RFP: It is planned that Government Payables NIB and Bahamas Customs will be settled. The Offer Price will determine the cause of action. The Provident Fund will also be settled as it is the intent to settle all employee contributions in the Provident Fund directly with the employees prior to finalizing a transaction.

Question 10

Under accounts payables, there seems to be a significant payable due to the Employee Provident Fund and due to employee for benefits. Is the expectation that the current owners will settle these arrears before selling the company or is the new owner expected to take over the liabilities?

RFP: The Provident Fund will be settled prior to completing a transaction. No liability for the new Owner

Question 11

I note in the RFP process that the government contemplates the sale of the company and/or a franchise agreement for the management of the flight services now managed by Nassau Flight Services, is there a process by which the committee will determine whether a franchise agreement is what will take place or an outright sale of the assets?

RFP: We have solicited offers for both. Based on the proposals, a recommendation will be made. Note that it is the preferred intent to sell; however, if the offer price is not attractive, the committee may lean towards a Franchise Agreement.

RFP: This will be determined exclusively by the committee based on the responses received. Note that each bidder can submit a Tender for either or both options. This decision rests exclusively with the committee.

Question 12

The successful bidder under the RFP, can you clarify who the successful bidder will report to and/or what will be the relationship between NFS and NAD and AA and other key airport stakeholders?

RFP: The successful bidder under an outright sale will be an independent company working in partnership with all Airport Partners, including NAD and AA. Note that there is no reporting relationship other than the required standards for operating the Airport. Under the Franchise Arrangement, the terms of the Franchise Agreement will

outline the terms agreed upon between the parties i.e., the Franchisee and the Franchisor (Bahamas Government).

Question 13

Under the RFP, is the desire to have a fully Bahamian competent management team? Are strategic partnerships with international baggage handling firms allowed or preferred for the RFP?

RFP: The intent is to have a Bahamian owner. This owner can form alliances with any international group to provide support/management/guidance, subject to compliance with local regulatory requirements.

Question 14

In the event of being the successful bidder, is the government offering any duty/VAT concessions for the purchase of new equipment to effectively and efficiently operate the company?

RFP: No. Concessions are not being considered or included.