

## **Information Note on SAR Aviation Procurement**

**For publication on etenders and the Department's dedicated webpage**

### **Project overview**

In compliance with the Public Spending Code, a process has commenced to consider options for the next Search and Rescue (SAR) aviation contract as the existing contract comes to an end over the coming years. A Steering Group chaired by the Director of the Irish Coast Guard was established last year to manage this process with a view to ensuring the next service meets domestic and international obligations for search and rescue and represents value for money for the State.

### **Steering Committee**

The Steering Group comprises Irish Coast Guard/Department of Transport staff and relevant key stakeholders and appropriate necessary expertise. All members of the Steering Group are required to sign a Conflict of Interest declaration and agree the terms of a Communications Protocol. There is no voting procedure. Members are free to offer their views throughout the process and it is not envisaged that such a formal voting procedure is required.

The members of the Steering Group include representatives nominated from the following: Department of Health/HSE, Department of Defence/Aer Corps, Department of Justice/An Garda Síochána, Department of Public Expenditure and Reform and Irish Aviation Authority.

The Group meets regularly for updates on the procurement and to input on the direction of the process. It receives progress reports on the project plan at regular intervals identifying where interactions with stakeholders/ potential bidders have taken place. These are confidential documents and not for release as they form part of a deliberative /procurement process.

### **Aviation Expertise**

Expertise is available on the Steering Committee from an Aviation Consultant - Aerosurance - following a procurement process was awarded the contract in 2017. Their services, are to provide advice to the Irish Coast Guard (IRCG) on the contracting of helicopters for Search and Rescue, CAT-HEMS & HESLO and on related matters. Such matters may include but are not limited to; evaluation of the cost of future projects, assessing the accuracy of billing by the helicopter service provider, contractual compliance of the helicopter service provider and assistance in tender assessment.

### **Procurement Expertise**

A Procurement Advisor (Process Auditor) was appointed in early 2020 - Bid and Tender Management Services - to independently observe the procurement process to ensure that the procurement principles and rules are met at every stage of the process

The main role of the Advisor is to ensure that

- the procurement of helicopter services for the marine emergency helicopter service be conducted properly in accordance with best practice and to certify that the process complies with all relevant EU/Department of Finance procurement legislation, rules and procedure,
- the process is adequately documented in the Procurement Documentation supplied to interested parties,
- procedures are in place to enable an orderly and effective conduct of the procurement process,
- the process is carried out in accordance with normal criteria of openness, fairness and impartiality,
- the findings at each stage of the process are appropriately documented,
- the assignment of responsibilities to all involved in the procurement process is clearly established and adhered to and
- advise the Coast Guard Tender Evaluation Group on procurement and documentation best practice as needed.

The Process Auditor is answerable to and reports to the Secretary General of the Department of Transport on foot of any concerns he/she may have with the process. The Process Auditor is independent of any other reporting arrangements related to the procurement.

### **Financial/Economic Expertise**

KPMG have been appointed since early November to carry out the detailed business/economic assessment in line with the requirements of the Public Spending Code.

The required outputs from the project are outlined below.

- An Economic appraisal, including a cost benefit analysis or cost effectiveness analysis.
- A Financial appraisal including a discounted cash flow analysis on an incremental basis relative to the base line "Do-Nothing" Option. This should clearly set out all initial investment costs and ongoing operating costs.

- Sensitivity analysis of the assumptions underpinning the above appraisal to demonstrate that they remain robust in a range of future scenarios.
- An assessment of the affordability of the programme relative to existing resources;
- A recommendation as to whether investment is justified and which option best meets the needs of Department and offers the best value for money for the Exchequer;
- An evaluation plan outlining a performance measurement framework and monitoring and evaluation arrangements.
- Commercial knowledge and expertise of the aviation industry

### **Other areas of expertise**

While not actual members of the Steering Committee, advice will be required/sought from various other relevant bodies during the project e.g. CSSO (legal advice at point of developing RFT, award and contract development).

### **Communications Protocol**

The Communications Protocol (mentioned above) was issued to all members of the Steering Group having regard to the EU law principles of transparency and equal treatment, which requires the Department to run the tender competition in an open and fair manner. The purpose of the document is to safeguard the integrity of the overall procurement process, including the pre-tender stage, for all concerned by clearly setting out the parameters for engagement and interaction with external (non-statutory) stakeholders and potential bidders. It also sets out the control measures in place to manage risks associated with such interactions. In addition it provides safeguards to ensure the incumbent supplier does not, intentionally or otherwise, receive a competitive advantage. All prospective tenderers must be treated equally and in a non-discriminatory manner.

As part of the PIN to RFT process, the Steering Group will need to consult with a wide range of stakeholders in the SAR domain, some of whom may also be interested parties / potential bidders. All such interactions are within the scope of this protocol.

### **Current Status – as of date of publication**

The procurement process is on-going and will comply with the requirements of the Public Spending Code (PSC), which include consideration of all available and realistic options for the delivery of the service.

A Prior Information Notice was published in May 2020 to alert the market to the upcoming procurement.

As a first step in the Public Spending Code process, a Strategic Assessment and Preliminary Appraisal was prepared by the Department’s Strategic Research and Analysis Division in close consultation with the Steering Group and in line with so-called “Gate 0” of the Public Spending Code. Having been agreed by the Steering Group, this went to Government for information in July.

This assessment included a strategic assessment, setting out the strategic context for SAR aviation programme, an organisational overview, and a survey of existing policies and strategies relevant to the programme. It identified the spending objectives of the programme including existing arrangements and relevant business needs; it applied the Programme Logic Model to look at potential scope and key service requirements; and identified benefits, risks, constraints and dependencies. It also included a Service Specification Framework, including critical success factors, an Options Framework and a Service Specification. It also conducted a preliminary options filtering looking at potential Service Delivery Models and Service Providers. It made some recommendations in this regard. It also touched on issues relating to governance and procurement.

As regards the preliminary filtering of options, this took account of considerations in relation to the risks, affordability and deliverability. Given that the decision-making process in relation to this is still on-going and will lead to a Government decision ultimately, it is not appropriate to release any specific details in relation to this Strategic Assessment nor the considerations around any one of the options considered as part of the Preliminary Appraisal process. See criteria for the options filtering below.

Critical Success Factor	Description
<b>Strategic Fit and Business Needs</b>	How well does the option: <ul style="list-style-type: none"> <li>• Meet the projects spending objectives, business needs and service requirements.</li> <li>• Engage with other Government strategies and priorities.</li> </ul>
<b>Potential Value for Money</b>	How well does the option: <ul style="list-style-type: none"> <li>• Maximise the projects value for money, taking into account the economic, social and financial costs and benefits?</li> </ul>
<b>Potential Affordability</b>	How well can the option: <ul style="list-style-type: none"> <li>• Be funded from available sources of revenue</li> <li>• Aligns with sourcing constraints?</li> </ul>
<b>Potential Deliverability</b>	How well does the option: <ul style="list-style-type: none"> <li>• Match the capacity of potential providers to deliver the required service?</li> </ul>

## Market Engagement

A live Webinar was conducted in early September and bi lateral meetings were conducted throughout that month with parties who had submitted Expressions of Interest via eTenders. Bi-laterals are also ongoing with internal stakeholders / beneficiaries of the SAR

service. A copy of the PowerPoint presentation from the Webinar was circulated via eTenders and is also available for viewing on our [SAR Webpage](#) and will be updated regularly.

### **Next Steps**

The next step is a detailed business case which is currently being prepared for Government. Ultimately, decisions on the scope, nature and procurement strategy for the next service will be a matter for Government once the detailed business case has been finalised. The timeframe for this will depend on various factors but it is expected that a memorandum will be brought to Government early in Q1 2021.