

11.8 Tender - Certified Air Ground Radio Service (CAGRS) Provider

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Delivery Program Commercial Services

Objective To finalise the tender for the provision of a Certified Air Ground Radio Service at Ballina Byron Gateway Airport.

Background

In July 2015 the Civil Aviation Safety Authority (CASA) arranged for a Supplementary Airspace Review of the Ballina Byron Gateway Airport ("the Airport") and identified the need for a Certified Air Ground Radio Service (CAGRS) at the local airport.

CASA are concerned with the potential for aircraft incidents in airspace associated with non-controlled aerodromes not served by ground communication facilities. At present the Airport is not served by ground communication facilities.

Since the time of the supplementary review referred to above, Airport Management has been investigating the objectives and benefits of CAGRS, operational requirements and scope of works, equipment requirements and the opportunity for a shared facility with the local ARFF Fire Station.

Airport Management is pleased to advise that Airservices Australia has now approved the shared facility and the CAGR Operator ("CAGRO"), located in the Fire Station Fire Control Centre (FCC) at the Airport.

Key Issues

- Compliance with the Local Government (General) Regulation 2005
- Achieve best value for money

Information

A CAGRS includes the provision of advice in regards to relevant air traffic in the airspace or on the aerodrome and aerodrome information, including:

- The runway preferred by wind or noise
- Abatement requirements
- Cloud base and visibility
- Wind direction and speed
- Present weather
- Temperature
- Atmospheric Pressure at the airport
- Runway surface conditions

The intended outcome of the CAGRS implementation is a reduction in the collision risk at an aerodrome as determined by CASA aviation risk modelling. The goal is to reduce the identified risk from the unacceptable into the acceptable region.

11.8 Tender - Certified Air Ground Radio Service (CAGRS) Provider

Factors which a CAGRS contributes to this risk reduction include:

- Improved pilot situational awareness through provision of more thorough traffic information and in particular information relating to low level VFR operations at the aerodrome
- Information on aerodrome ground traffic
- Provision of current aerodrome meteorological, facility and surface conditions
- Continuity of VHF communications to the ground
- Improved SARWATCH, emergency response through CAGRO presence at, or in the case of a remote service, vision of the aerodrome

The proposed schedule is to have the CAGRS operational from 1 December 2016. It is proposed that Council will engage a third party to provide the CAGRS from the FCC.

It is a CASA requirement that staffing of the service be former air traffic controllers or flight service operators.

The normal staffing for day to day operations will be one person. The service provider will have an internal checking and standardisation regime and this will require checking all staff on a yearly basis.

Tenders were subsequently called for the CAGRS in March 2016 for suitably experienced and qualified service providers to undertake this work for a five year period. At the close of the tender period three submissions were received.

This report provides the outcomes from the tender evaluation process.

Tender submissions were received from:

- Australasian Pacific Aviation Resource Services (APARS) Pty Ltd
- IAS Airports Pty Ltd
- The Ambidji Group Pty Ltd

All tenders were initially assessed for conformity with the tender specification. From this assessment all tenders were deemed to be conforming. The tender documentation defined the following assessment criteria, by which each tender would be assessed:

- Total Price (based on hourly rates) – 40%
- Previous satisfactory performance in Aviation Projects – 30%
- Proposed Team – 20%
- CAGRS Procedure Manual – 10%

The pricing of the contract is based on hourly rates submitted by the tenders for the operation of jet services to the Airport. The total hours will vary in accordance with the flight timetable as provided by the operators.

The table as follows provides a summary of the evaluation and rankings of the three tender submissions.

11.8 Tender - Certified Air Ground Radio Service (CAGRS) Provider

Item		APARS	IAS Airports Pty Ltd	The Ambidji Group Pty Ltd
Total Price	40%	14.5%	29.0%	15.7%
Previous satisfactory performance	30%	15.8%	14.5%	28.5%
Proposed Team	20%	16.5%	14.1%	18.7%
CAGRS Procedure Manual	10%	7.9%	5.8%	9.3%
Total	100.0%	56.2%	63.4%	72.2%
Ranking		3	2	1

When the non-priced and priced evaluation criteria are combined, The Ambidji Group Pty Ltd is the highest ranked tender.

It is intended that this service be cost neutral to Council and all costs will be recovered from the airline operators on a per passenger charge. Initial discussions with the airlines have been based on an initial charge of \$0.60 to \$0.70 per arriving and departing passenger (excluding GST).

Airlines are aware that the alternative to a CAGRS is an air traffic control tower ("ATCT") the charges for which would be in the order of \$4.20 per arriving and departing passenger (excl. GST) based upon a tower construction cost of approximately \$10m. This is not a preferred or viable alternative for the Airport or airlines.

The Ambidji Group Pty Ltd has extensive airport experience with various projects including CAGRS operations. The Ambidji Group Pty Ltd has been performing similar CAGRS at Ayers Rock airport for the past 16 years.

Sustainability Considerations

- **Environment**
Not Applicable
- **Social**
Not Applicable
- **Economic**
The Project provides scope for growth in airline services, destinations and passenger numbers. This growth will also lead to additional revenue for airport operators, tenants, airport stakeholders, the local and regional economies.

Legal / Resource / Financial Implications

The introduction of CAGRS will be cost neutral to Council on the basis that cost recovery agreements are executed with the airlines.

Consultation

A public tender process was undertaken.

Options

In accordance with Part 7 Clause 178 of the Local Government (General) Regulations 2005, Council must either:

11.8 Tender - Certified Air Ground Radio Service (CAGRS) Provider

1. *Accept the tender that, having regard to all the circumstances, appears to be the most advantageous, or*
2. *Decline to accept any of the tenders.*

A council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:

- (a) postpone or cancel the proposal for the contract;*
- (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details;*
- (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract;*
- (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract;*
- (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender; and*
- (f) carry out the requirements of the proposed contract itself.*

Accordingly:

1. Council may award the contract to The Ambidji Group Pty Ltd to undertake a Certified Air Ground Radio Service at the Ballina Byron Gateway Airport subject to cost recovery agreements being executed with all commercial airlines servicing the Airport.
2. Council may determine not to accept any of the tenders received and invite fresh tenders or alternatively enter into negotiations directly with one or more service providers.

Option two is not recommended as Council has undertaken the tender process in accordance with the Local Government (General) Regulations 2005. The tenders submitted would indicate a fair test of the market and that a fair rate has been achieved representing good value to Council.

Option one is recommended as the preferred option as the tender assessment indicates that a reliable market has been established and the assessment by the evaluation panel has determined the preferred tenderer.

The Ambidji Group Pty Ltd has provided a very professional tender submission and has extensive Airport experience.

RECOMMENDATIONS

1. That Council authorises the General Manager to finalise negotiations with the Ambidji Group Pty Ltd for the provision of a Certified Air Ground Radio Service for a five year period subject to cost recovery agreements for same being executed with all commercial airlines servicing the Airport.
2. That upon the conclusion of negotiations Council authorises the General Manager to affix the Council seal to the relevant contract documents and execute same.

11.4 Tender - Certified Air Ground Radio Services (CAGRS) Provider.DOC

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Attachment(s)

Nil