

Biman Bangladesh Airlines Limited

**Minutes of the meeting of the Board Committee on
Procurement of Aircraft held on 24th October 2013**

1. A meeting of the Board Committee on Procurement of Aircraft was held at 1600 hours on 24th October 2013 in the Board Room of Biman Head Office, Balaka, Dhaka. Air Vice Marshal Abu Esrar, ndc, acsc, Director Biman Board and Chairman of the Board Committee presided over the meeting. Participants of the meeting is attached at **Annex-A**. The Chairman of the meeting welcomed the two Hon'ble Board Members and other officials of Biman present in the meeting.
2. Following agenda were placed for discussion in the meeting:
 - a. Evaluation of the offer for dry lease of two 777-200ER aircraft.
 - b. Draft RFP schedule for dry lease of two 737-800 aircraft.
 - c. Miscellaneous.

3. Discussion:

A. Evaluation of the offer for dry lease of two 777-200ER aircraft:

- i. The meeting was informed that as per decision of 116th Meeting of the Board of Directors held on 3rd September 2013, Biman floated RFP Notice No. DACPM/B777/140/2013/907 dated 11.09.13 for five years' dry lease of 02 (two) 777-200ER aircraft. On the last date of submission i.e. on 3rd October 2013, following offers were received:

Sl.	Bidder	Type of Aircraft	MSN	Seat Capacity	YOM	Monthly Lease Rent US\$
01.	Egypt Air Holding Company	(02) 777-200ER	32629 32630	319 (12F+21B+286Y)	2001 2001	\$625,000
02.	Euro Atlantic Airways	777-200ER	28513	323 (30C + 293Y)	21 May 1998	\$695,000
03.	Standard Chartered	777-200ER 777-200ER	28529 28532	323 (30C/293Y) 285 (30C/255Y)	28 Feb' 2002 21 Jan' 2002	\$ 675,000 \$675,000
04.	Jessco Aviation Ltd (Steel Aviation Inc. USA)	777-200ER 777-200ER	26926 26927	376 two class 378 two class	27 Apr' 1998 13 Nov' 1997	\$1,625,000 \$1,550,000

- ii. In techno-financial evaluation, only the offer of Egypt Air for two 777-200ER was found responsive. Euro Atlantic Airways offered only one 777-200ER manufactured in May 1998 (15 years 4 months). As mentioned in the offer, D-Check/Heavy Check will be performed in December 2013, but schedule of check and MRO information were not provided in spite of query. Moreover, no single offer for 777-200ER was received in the RFP. As such the offer of Euro Atlantic was considered non-responsive due to non-compliance of some mandatory conditions earmarked by MUST condition in the RFP schedule.
- iii. Standard Chartered offered two 777-200ER for dry lease with different seat configuration and indicated to deliver the aircraft in end 2013 or early 2014 but not later than April 2014. The offered aircraft are currently leased with Singapore Airlines (SQ) and delivery of the aircraft depends upon intention of SQ on early lease termination of the offered aircraft. As per RFP terms & conditions, seat configuration of both the aircraft must be similar and aircraft to be delivered mandatorily by January 2014. Remaining life of Engine, APU, Landing Gears(LGs) cannot be ascertained since the bidder mentioned in the offer that no Engine, APU, LG shall have consumed more than 75% of engine performance endurance, total hours, cycles etc. In view of the above, the evaluation committee considered the offer of Standard Chartered as non-responsive.

- iv. Jessco Aviation Ltd. did not provide detail technical information on their offered 777-200ER aircraft, as such it was considered non-responsive.
- v. In response to the query of the Chairman of the meeting, Managing Director & CEO informed that another RFP for five years' dry lease of two aircraft with minimum 25 seats or above was opened on 8th October 2013, which is now under evaluation. The Chairman of the meeting mentioned that although offers for dry lease for two 777-200ER and 250 seats or above aircraft were invited in two separate RFPs, but decision for taking lease of aircraft to be taken after evaluation of both offers under two RFPs depending on financial impact of leased aircraft as a whole. The meeting, however, opined that a team may be sent to Egypt Air for physical inspection of their offered 2 X 777-200ER, MSN 32629 and 32630 and related documents since this offer has already become responsive in evaluation and that the evaluation committee has recommended for physical inspection of the aircraft and documents offered by Egypt Air.

B. Draft RFP schedule for dry lease of two 737-800 aircraft:

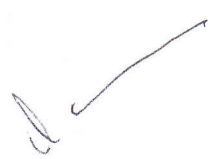
General Manager Planning informed that in the meeting of the Board Committee on 29th August 2013, it was discussed on the possible lease extension of currently leased two 737-800 aircraft (S2-AFL and S2-AFM) with reduced lease rent as proposed by the lessor. The lease will expire in January/February 2015 and Biman will have to give one year prior written notice for lease extension, if any, as per provision of the Lease Agreement. The meeting then decided to float RFP for five years' dry of two 737-800 aircraft to verify the lease rate and simultaneously negotiate with the lessor for lease extension. Accordingly, an RFP schedule has been drafted in consultation with concerned departments, which has been placed in this meeting for review and finalization.

The Chairman of the Board Committee and Managing Director & CEO opined that since the lease period 2 X 737-800 (S2-AFL, S2-AFM) will expire in January and February 2015, there is time to decide on the matter. As such the meeting did not discuss on the draft RFP schedule for dry lease of two 737-800 aircraft.

4. Decision:

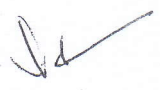
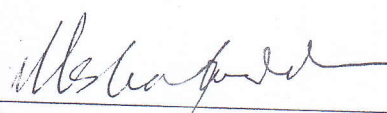
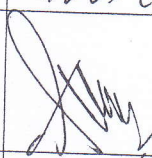

After the discussion, it was decided to recommend the following:

- a. A team may be send to Cairo, Egypt for physical inspection of two 777-200ER aircraft (MSN 32629 and 32630) and its documents offered by Egypt Air for dry lease to Biman. Subsequently the proposal for inspection of aircraft and documents to be placed before the Board Meeting for post-facto approval.
 - b. Since the lease term of two 737-800 (S2-AFL, S2-AFM) will expire in January and February 2015, there is still time to float RFP for dry lease of two 737-800 aircraft and as such it was decided to wait for finalization of the draft RFP schedule.
5. Having no other issue for discussion, the meeting ended with a vote of thanks to and from the Chair.

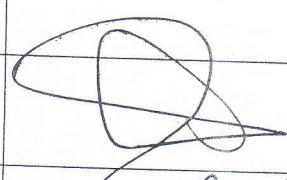
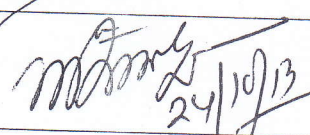
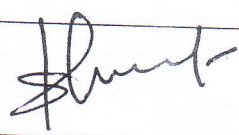
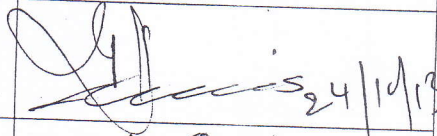
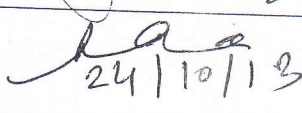
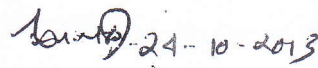


**Air Vice Marshal Abu Esrar, ndc, acsc,
Director, Biman Board
and
Chairman of the Board Committee**

Biman Bangladesh Airlines Limited**13th Meeting of Board Committee for Procurement of Aircraft****Date: 24 October 2013 Time: 1600 hrs Lt****Venue: Board Room of Biman, Balaka, Kurmitola, Dhaka-1229**Attendance Sheet

Name & Description	Signature
Air Vice Marshal Abu Esrar, ndc, acsc Director, Biman Bangladesh Airlines Limited & Chairman of the Committee, Biman	
Justice (Former) A. F. M. Mesbahuddin, Director, Biman Bangladesh Airlines Limited & Member of the Committee, Biman	
Mr. Shah Md. Zakaria Bhuiyan, FCA Director, Biman Bangladesh Airlines Limited & Member of the Committee, Biman	
Mr. Kevin John Steele Managing Director & CEO, Biman & Member of the Committee, Biman	

By Invitation :

Sqn. Ldr. (Retd) Mazharul H Choudhury Director Planning, Biman	
Mr. A. M. Mosaddique Ahmed Director Customer Services, Biman	
Mr. M M Asaduzzaman Wg Cdr (Retd.) Director Engineering & Material Management, Biman	 24/10/13
Mr. Mohammad Shah Newaz Director Marketing & Sales, Biman	
Capt. Ishrat Ahmed Director Flight Operations, Biman	
Mr. Md. Belayet Hossain General Manager (Planning), Biman	 24/10/13
Mr. A. S. M. Monjur Emam, FCMA Controller of Accounts, Biman	 24/10/13
Mr. Mohd. Abdur Rahman Faruky Dy. General Manager (Planning), Biman	 24-10-2013
Mr. Md. Motahar Hossain Dy. General Manager (Central Control), Biman	