

**MAINTENANCE AND SERVICING AGREEMENT
FOR THE MAINTENANCE AND REPAIR OF COMMERCIAL
VEHICLES (PM,CM,AIR-CONDITION SERVICING,OVERHAUL
AND ADHOC REPAIR) FOR THE PERIOD 1 NOVEMBER 2019
TO 31 OCTOBER 2022 WITH
(OPTION FOR EXTENSION FOR UP TO THREE [3] YEARS)**

1 GENERAL REQUIREMENTS

- 1.1 The contract period will be from 1 November 2019 to 31 October 2022, and could be extended for another three years thereafter, subject to satisfactory performance of the Contractor. The Contractor shall not out-source any works or services to a third party, without the prior approval of SAS. The Contractor shall make an irrevocable offer on the rates for the option period (for another three years) on the basis of all conditions and requirements stipulated here.
- 1.2 The Contractor is to provide preventive and corrective maintenance services (“Work”) to SAS’ fleet of commercial vehicles. The existing fleet of commercial vehicles is listed in Schedule 1 (The number of commercial vehicles may change from time to time, in accordance with business conditions.)
- 1.3 A Serviceability Rate for 95% must be achieved daily. By 1700 hours of each day (Monday to Friday), not more than 5% should be down in the workshop unless approved by SAS with valid reasons such as preventive maintenance, adhoc works (eg. accident / damage repairs, approved modification and refurbishment works, corrosion repair) or awaiting overseas spares, which shall be verified by SAS Engineering staff.
- 1.4 The Works must be carried out at the SATS Maintenance Centre (“SMC”) located at 34, Changi North Crescent except for major repairs e.g. engine overhaul and transmission repairs as stated in Appendix C1 (Annex B2).
- 1.5 Favorable consideration will be given to firm with ISO certifications.
- 1.6 SAS reserves the rights to evaluate any of the contractor/staff supplied under this contract and has the rights to request for a change, if the contractor/staff is not able to perform to the required requirement or meet the contractual competency.
- 1.7 There shall be regular contract performance reviews. The Contractor shall prepare the required performance reports in the format required by SAS. The Contractor shall also identify, categorize and report all service delays or operational issues or supply disruptions or warranty claims, and any other matters which may have been raised by SAS representatives, in a formal report to SAS. The Contractor’s performance report shall be subjected to review by SATS for acceptance.
- 1.8 The Contractor shall provide an annual equipment condition assessment report to SAS representatives for mutual review and alignment. This condition report shall also provide a recommendation on the projected remaining service life of the equipment and also a schedule of rates for the exclusions under clause 2.5 with a

list materials, parts or services to upkeep the equipment. While the above price list will not be exhaustive, it should endeavor to cover more than 60% of the value of such repair works annually. This condition report shall also be provided by the Contractor at the end of the contract period to SAS for review.

2 SCOPE OF WORK FOR PREVENTIVE AND CORRECTIVE MAINTENANCE

- 2.1 The Contractor is to provide preventive and corrective maintenance services to the SAS' fleet of commercial vehicles.
- 2.2 The Contractor must:
 - 2.2.1 carry out preventive maintenance servicing for each commercial vehicles based on PM checklist in Appendix C1 (Annex C1) and service air-conditioning system every six monthly Appendix C1 (Annex C2);
 - 2.2.2 carry out all corrective maintenance work (excluding adhoc works overhaul of major components and system) & provide a team of 2 technicians to attend to breakdown at the tarmac if SAS recovery team is unable to tow back the vehicle;
 - 2.2.3 prepare the equipment adequately to pass the annual LTA and CAG inspections. Fees for re-inspections shall be borne by the contractor; and
 - 2.2.4 provide 7 technically competent and experienced technicians (at least 1 supervisor, 1 Electrician and 5 Mechanics daily, out of which 2 must be holders of Class 4 driving license), tools and equipment to carry out the works as detailed in the Scope of Works. The list of manpower shall be approved by SAS prior to the commencement of the contract.
- 2.3 For preventive and corrective maintenance services, SAS will have the sole discretion to decide whether a part should be repaired or replaced and, if it is to be replaced, whether the part should be a new genuine, used genuine, new OEM, used OEM or used part.
- 2.4 The cost of labor and spares for these services will be borne by the contractor while SAS will provide oils and lubricants for all the parts. SAS will also provide batteries and tyres.
- 2.5 The following are not included in the contract:
 - a) damage repairs;
 - b) repair of bodywork due to corrosion / damage;
 - c) overhaul of engine, brake, transmission and clutches (please refer to details in Appendix C1 Annex E3);
 - d) repair and replace fire extinguishers and communication equipment; and
 - e) towing of unserviceable commercial vehicles back to workshop.
 - f) Repair of tyres, tubes and flaps, and extensive body paint works.

g) Supply of batteries

Contractor SHALL submit a quotation separately for the above works.

2.6 Continued Rights to procure goods and services from third parties

SAS holds the sole discretion and rights, to seek quotations or tender for the supply of any spares/items and/or services at any time.

(a) Once SAS management has unilaterally decided on the most favourable quote, SAS shall provide to the Contractor the price and other material terms from the most favourable quote, but withholding the third party supplier's name. NOTE: The identity and details of the third party supplier that had submitted the most favourable quote shall not be shared.

(b) The Contractor has 7 business days to confirm if it wishes to supply based on the most favourable quote and if they do match, SAS shall engage the Contractor.

(c) Should the Contractor decline to match the quote or fails to respond within 7 business days, SAS shall go ahead to procure from the third party supplier which had offered the most favourable quote and the Contractor shall be obligated to accept the supply scope (goods delivered or services performed) of the quote into its operations with SAS, as if the third party supplier were its own. This may include receiving, warehousing, stock takes and issuing of goods. The Contractor shall complete all necessary administration with the third party supplier on behalf of SAS, including the processing of the third party supplier's deliveries and invoices in their system and procedures with SAS systems and/or online portals, for SAS Finance to administer payment to the third party supplier.

2.7 Quality Requirement on Spares and materials

The quality of spares and services supplied shall be from the known OEM (proprietary) Component Supplier or better. The Contractor shall also identify all Spare Parts and materials supplied by the component manufacturer's company name and that component manufacturer's native Part Number, together with its respective NATO Stock No. (international/global) Part Number (or any other international equivalent: such as ASME B18.24-2015 or ATA iSpec 2200 or JASC/ATA 100 code or Global Trade Item Number (GTIN), where available). These Spare parts information shall be listed in an updated excel file report with the specific SAS equipment identity, line item description, quantity supplied, date of installation/use, Odometer reading, Engine Hour reading and service report number (Job card no.). This report shall be provided upon demand, or annually, or automatically at the end of each contract period and shall be subject to review by SAS for acceptance.

3 WORKSHOP OPERATIONS

3.1 All servicing and maintenance works are to be carried out in SMC except major repair e.g. engine overhaul and transmission repairs.

3.2 The Works are to be provided from 0800 to 1730 hours from Mondays to Saturdays. Should there be unserviceable vehicles exceeding 5% of that specific commercial vehicle fleet type, the Contractor shall be expected to work beyond 1730 hours on weekdays and to work on Saturdays and Sundays at no additional costs to SAS.

- 3.3 The Contractor shall be responsible for the safety and housekeeping of their allocated workshop space. A total of 2 bays (144sqm/bay) shall be allocated to the contractor, at no cost to the contractor.
- 3.4 The Contractor shall ensure that all servicing and maintenance works are carried out according to best engineering practices and meeting the requirements of ISO14001, OHSAS18001 and the Workplace Safety & Health Act.
- 3.4 The Contractor shall provide a uniform approved by SAS to their employees.
- 3.5 The Contractor shall take care and maintain the garage equipment provided by SAS (eg. 2 servicing pits, safety stands, etc.) in good working condition at all times. All repair and maintenance costs for the garage equipment will be borne by the Contractor.

4 PROCEDURES

- 4.1 The procedures for servicing and maintenance of commercial vehicles (Annex D).

5 WARRANTY

- 5.1 The contractor is expected to carry out all works under the contract based on good engineering practices. SAS reserves the right to reject any work, workmanship or spare part, which is inferior in quality, and the contractor shall at his own cost, make good such defects immediately.
- 5.2 The following warranty periods are applicable from date of completion of the servicing and maintenance works:
 - .1 for workmanship - six months
 - .2 for new spare parts - six months
 - .3 for used parts - three months
- 5.3 The Contractor shall reimburse SAS for the cost of labour, freight, transport, tooling, works and materials incurred in rectifying the performance failure of parts and goods under warranty, through credit notes. The Contractor shall be liable to directly pay for any other costs (including to third parties) incurred to bring the equipment back into service. Any labour cost incurred by SAS, shall be computed based on the Contractor's Ad Hoc manhour rates.
- 5.4 The Contractor shall provide a list of subcontracted suppliers of goods, spares, materials and services pertaining to this contract. The list shall include the full name of the company as well as the scope of supply to the Contractor. This list of subcontractors shall be submitted to SAS for approval before commencement of supply and shall be updated in a timely manner to SAS representatives for prior approval, whenever there are any changes.

6 LIQUIDATED DAMAGES

- 6.1 Unless proven conclusively that the inability to meet the expected Serviceability Rate stated in Para 1.3, was due to unforeseen circumstances beyond the control

- of the Contractor, liquidated damages of \$50 per day will be charged for every additional unit that is unserviceable at the end of the each day at 1700 hours.
- 6.2 With reference to Para 2.2.4, the Contractor must provide a minimum of 7 technicians daily to carry out the Works. Liquidated damages of \$100 per technician will be charged per day, if there is a shortfall of technician.
- 6.3 Liquidated damages of \$50 per incident will be levied on the Contractor, if a commercial vehicle has similar or repeated defect within 7 days of a repair work.
- 6.4 Should the Contractor fail to meet the serviceability required or to supply the required experienced technicians, SAS has the sole discretion and the right to engage another third party contractor to repair the commercial vehicles and the Contractor shall bear the full cost of repairs, by directly paying the third party contractor engaged by SAS.
- 6.5 **URGENT REMEDY PLAN**
Without limiting its other rights or remedies, SAS may by 2 days' written notice require the Contractor to remedy a breach by the Contractor of any of these Conditions and/or contract clauses. The Contractor shall continue to perform all obligations under this contract and shall:
- a) devote all necessary resources to the resolution or mitigation of the breach for immediate resolution, promptly meet with SAS to agree on a strategy (the "Urgent Remedy Plan"), which if approved by SAS, shall be implemented by the Contractor immediately;
 - b) and reporting on a daily basis until resolution to SAS satisfaction.
 - c) The Contractor shall at the same time draft a "Prevention Plan" to prevent a recurrence, after which upon SAS approval, this "Prevention Plan" shall be included into the contract scope, at no cost to SAS.
 - d) A failure by the Contractor to comply with these obligations constitutes a material breach of this contract, without prejudice to SAS other rights and remedies.

7 TERMINATION

- 7.1 SAS may terminate the contract by giving three months' notice in writing on the grounds of default set out in 7.2 below. The Contractor shall, however, be bound to complete all outstanding services until the expiry of the notice period. All orders received during the notice period must be completed by the Contractor in accordance with the provisions of the contract.
- 7.2 Default in performance shall include the following circumstances:
- a) whole or partial suspension of works for any duration, and without reasonable cause, by the Contractor;
 - b) failure by the Contractor to carry out the works to the satisfaction of SAS;
 - c) breach by the Contractor of any of the terms and/or conditions of the contract; and
 - d) the Contractor files for bankruptcy or the Contractor becoming insolvent or the Contractor making any assignment for the benefit of his creditors or

entering into an agreement for the composition, extension, or readjustment of substantially all of its obligations.

- e) A material breach by the Contractor on any of the following clauses: 1.7, 2.7, 5.4, 6.4 and clause 6.5 above.

8 TENDER SUBMISSIONS

8.1 Tenderers are to submit the following:

8.1.1 Provision of Labour

Quote for the provision of technicians specified in Para 2.2.4 to carry out preventive and corrective maintenance, accident / damage repair and body repair works.

8.1.2 Man-hour rate (\$ per man-hour) for adhoc works (in Price Submission Table Appendix C1 (Annex E1) and Appendix C1 (Annex E2)).

8.1.3 Labour rate for additional technician (\$ per month & Ad Hoc Manhours) (in Price Submission Table Appendix C1 (Annex E1) and Appendix C1 (Annex E2)).

8.1.4 Rates and turnaround time for overhaul of engine, brake, hydraulic main pump and traction motor, and repair/refurbishment of vehicular seats based on scope of works detailed in the Price Submission Table for Overhauls Appendix C1 (Annex E3);

8.1.5 Background information of the Tenderer (Appendix G);

8.1.6 Vendor Declarations in Appendix I

8.1.7 Price Submission Tables for Optional requirements from:

- a) SATS Food Services : Appendix C4 (Annex E)
- b) SATS-BRF : Appendix C4 (Annex E)

8.1.8 Other Services (CCTV, Damaged Repair) Appendix C4 (Annex F)

8.1.9 An editable excel file softcopy of all price submission tables above on a Thumb Drive or an SD card.

8.1.10 Pdf softcopies of all other submissions on the same Thumb Drive or an SD card in Clause 8.1.9 and the media device shall be appropriately labeled with the Contractor's name. The media device containing the softcopies shall be placed in its own envelop among the rest of the hardcopy submissions, to secure it properly.

8.1.11 The Tenderers shall submit their annual projected budgetary values allocated for the following Cost Components to each of line items in the Price Submission Tables:

- a) Manhours allocated for PM works
- b) Manhours allocated for CM works
- c) for Consumables (filters, belts etc.)
- d) for General parts replacement due to Wear & Tear
- e) for Electrical wiring, electrical components, lighting replacement due to Wear & Tear
- f) for CCTV system replacement due to Wear & Tear

- g) for parts replacement of under carriage components due to Wear & Tear
- h) for parts replacement within the engine compartment due to Wear & Tear
- i) for Insurance, admin & other overhead costs