

September 27, 2019

Mr. Brent Krohn
 City of San Diego
 Purchasing & Contracting Department
 1200 Third Avenue, Suite 200, MS 56P
 San Diego, CA 92101

Re: RFP No: 10089562-20-K, Helicopter Purchase with Mission Configuration Installation Proposal

Mr. Krohn:

Airbus Helicopters, Inc., (AHI) is in receipt your letter of September 24, 2019, on behalf of The City of San Diego (City). Thank you for your response and acceptance of the exceptions requested in Section 2.1 of AHI's proposal. We have reviewed the request for clarifications as described in your letter and provide the below responses to each.

- A. With regard to AHI's proposed Payment Scheduled described in Tab C - Cost Proposal, Section 5, AHI's proposal is that the trade-in funds would be applied to the purchase price of the new aircraft in the form of a reduction to the final payment due as described below:
- a. 30% of the total aircraft price is due at time of award,
 - b. 20% of the total aircraft price is due when the aircraft moves to the completion vendor, and
 - c. 50% of the total aircraft price, as reduced by the value of the trade-in aircraft, is due at the time of delivery of the aircraft.

Milestone Payment	Percentage of Total Price	Milestone Payment Event	Value
1	30%	Due at time of contract award	\$1,371,980
2	20%	Due when the aircraft moves to completion vendor	\$ 914,653
3a	50%	Due at time of delivery of the aircraft	\$2,286,633
3b	N/A	Value of trade-in aircraft applied as reduction to Milestone Payment #3 at time of delivery	(\$ 831,316)
		Net Price of Aircraft	\$3,741,950

- B. With regard to the prices and requirements listed in Tab C – Cost Proposal for Standard Training, prices for the following are included in the basic airframe price:
- a. Initial Pilot Training for two (2) H125 Pilots including ground school and flight training with flight training conducted in Airbus’ aircraft
 - b. Airframe Field Maintenance Training for one (1) H125 Technician
 - c. Engine Maintenance Training as provided by Safran for one (1) H125 Technician

As discussed in the clarification call on Thursday, September 26, 2019, AHI has quoted H125 Refresher Training for ten (10) pilots to be conducted at the City’s facility in San Diego. The training will include 1.5 days of ground school instruction (with all pilots attending the same course) and 1.5 flight hours for each pilot in the City’s new aircraft after delivery. The price difference is shown in the table below. AHI suggests keeping the price submitted in the RFP the same with the credit held by AHI’s Training Department to be used for The City’s future training needs.

Description	Value
AHI Instructor Pilot to Train Ten (10) SDPD Pilots at Customer Location	\$27,851
Credit for Standard Pilot Training (incl. flight training in AHI aircraft)	(\$29,400)
Total Credit	(\$ 1,549)

- C. With regard to the prices as proposed and listed on Tab C – Cost Proposal for Additional Airframe Options relating to AHI installed items #9 and #10, AHI agrees to hold the proposed price with a modified description of the windows as shown below:

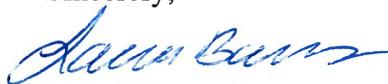
WINDOW – LH AFT SLIDING DOOR COMFORT WITH SLIDE – CLEAR – TECH TOOL STC [SH8966SW] \$5,038

and

WINDOW – RH AFT SLIDING DOOR COMFORT WITH SLIDE – CLEAR – TECH TOOL STC [SH8966SW] \$5,038

AHI trusts the above explanations provide sufficient clarification in response to your request. If the City requires additional information or clarification, AHI is prepared to support a teleconference discussion and/or to provide additional written information as required. We look forward to the opportunity to provide the City of San Diego with a new Airbus H125 Law Enforcement aircraft to support your critical mission requirements.

Sincerely,



Laura Bowers
Director of Commercial Offers and Contracts