



TURKISH AIRLINES INC.
A320 and A330/A340 FLIGHT SIMULATORS and VISUAL SYSTEMS
ADMINISTRATIVE SPECIFICATION

1

Turkish Airlines Inc. will purchase “1 (One) A320 and 1 (One) A330/A340 Convertible FULL FLIGHT SIMULATORS (FFS) with or without Airbus supplied items (Data package, Simulation software package, Aircraft Parts) and 2 (Two) VISUAL SYSTEMS for these FFS ” (All together or separately herein after called as “Purchased Item(s)”) described by enclosed Technical Specifications of the Purchased Item(s) with the Negotiated Tender Procedure stated as follows:

1. GENERAL TERMS AND CONDITIONS

The proposals shall be forwarded by stating that the Administrative Specification and Technical Specifications of Purchased Item(s) are being acknowledged by the bidder together with the below cited documentation. However certain terms and conditions of the Administrative Specification and Technical Specifications of Purchased Item(s) might be reevaluated at the sole discretion of Turkish Airlines Inc., upon counter proposal of bidder.

The proposals which are to be in written form and signed by the authorized persons stating his/her surname or trade name shall include:

- a. Purchased Item(s) price (excluding Customs Duties and Expenses) in EURO currency,
 - i. without Airbus supplied items and visual system for each FFS,
 - ii. with Airbus supplied items and without visual system for each FFS,
 - iii. with Airbus supplied items and visual system for each FFS,
 - iv. of Visual System for each FFS,
 - v. as a Package for all offerable items.
- b. Maintenance Cost for a projection of 15 years, as described in Article 17.4 of Full Flight Simulator Technical Specification and in Article 6.4 of Visual System Technical Specification,
- c. Payment schedule, if it is different from the one requested in article 7.1,
- d. Itemized recommended spare parts price,
- e. The amount clearly written in letters and numbers respectively, in case of conflict, the amount written in letters shall be accepted,
- f. All technical data as per attached Turkish Airlines Inc., Technical Specifications, technical advantageous and quality of the proposed Purchased Items among their similar that are not mentioned in the Technical Specifications, delivery time, warranty period, technical brochures or catalogues, a compliance matrix in respect to Technical and Administrative Specifications,
- g. The address for notification along with phone, fax numbers and e-mail address,
- h. A Declaration of Signature or Authorized Signatory List evidencing authorization for Bidding, (in the event of a natural person, a certificate of signature certified by a Notary Public / in the case of a legal person, an Authorized Signatory List)
- i. The documents stating:
 - The number of A320 ,A330/A340 Simulators, and the Visual Systems delivered by the bidder within last ten years,
 - The number of the Full Flight Simulators and Visual Systems which have the same technology as the product offered by the bidder and the list of users of this product,
 - The number of the Full Flight Simulators and Visual Systems delivered by the bidder, which are still in service,



TURKISH AIRLINES INC.
A320 and A330/A340 FLIGHT SIMULATORS and VISUAL SYSTEMS
ADMINISTRATIVE SPECIFICATION

2

- The list of users of the Full Flight Simulators and Visual Systems manufactured by the bidder by now.
- j. In case of participation by proxy, the power of attorney for participating in the tender on behalf of the Bidder and his/her certificate of signature or Authorized Signatory List, both certified by a Notary Public,
- k. The proposals to be in the same numerical order in reference to Administrative Specification and Technical Specifications of Purchased Item(s),
- l. In case the tender committee requests a demonstration before the final evaluation, this will be accomplished by the bidder,
- m. All losses of the Turkish Airlines Inc. which will result due to false document and declaration will be compensated by the related bidder,
- n. In case of missing documents, Turkish Airlines Inc. has the authority to eliminate the proposal of bidder without demanding the completion of documents.

2. DELIVERY PLACE AND TIME

2.1 The Purchased Item(s) shall be transported to Turkish Airlines Flight Training Center, Atatürk Airport, Istanbul TURKEY. All of the responsibilities shall be borne by bidder before the Delivery, and the Delivery shall take place after the On-Site Acceptance which is described in Article 15 of Full Flight Simulator Technical Specification and in Article 5 of Visual System Technical Specification. .

2.2 The best delivery time of the Purchased Item(s) shall be specified. The delivery time will be one of the assessment criteria as set forth in 3.3.1.c.

2.3 The proposal with a reference to this bid entitled “**THY FULL FLIGHT SIMULATOR TENDER /2008**” and prepared as per above instructions shall be mailed by registered and express mail or by courier to our following address and shall reach not later than **October, 24th 2008, 17:00 LMT,**

Correspondence Address:

TÜRK HAVA YOLLARI A.O.
YATIRIM YÖNETİMİ BAŞKANLIĞI
GENEL YÖNETİM BİNASI KAT 11
34149 YEŞİLKÖY
İSTANBUL/TÜRKİYE

3. DETERMINING THE MOST ADVANTAGEOUS BID

3.1 The tender shall be granted to the bidder submitting the most advantageous bid.

3.2 The most advantageous bid shall be determined by taking into account other factors besides the price.

3.3 The following criteria shall be taken into consideration in evaluating the most advantageous bid.

The importance ratios of Evaluation Factors for the Purchased Item(s);

Total Cost Factor	65 %
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	TURKISH AIRLINES INC. A320 and A330/A340 FLIGHT SIMULATORS and VISUAL SYSTEMS ADMINISTRATIVE SPECIFICATION	3
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Total Non-Price Factor	35 %
TOTAL	100 %

3.3.1 TOTAL COST FACTOR

It shall be total value of:

- a) Full Flight Simulators or Visual Systems whichever applicable, September 2008 sale price (excluding Customs Duties and Expenses) in EURO currency,
- b) Additional financial cost which might be incurred as a result of a different payment schedule if required by the bidder,
- c) The savings of Turkish Airlines as a result of the early delivery of the Full Flight Simulators,
- d) Maintenance Cost for a projection of 15 years, as described in Article 17.4 of Full Flight Simulator Technical Specification and in Article 6.4 of Visual System Technical Specification.

3.3.2.A TOTAL NON-PRICE FACTORS SCORE FOR THE FULL FLIGHT SIMULATORS

For the Full Flight Simulators it shall be total score of:

- a) Compliancy of the Full Flight Simulator against the Turkish Airlines Full Flight Simulator Technical Specification(s) and technical advantages of them. (15 %).
- b) Demonstration assessment to be made in accordance with the criteria given in Appendix 1 (20 %).

In calculations of Non-price Factor Scores, the score of the given factors from **a** and **b** for the Full Flight Simulator of the respective bid shall be prorated in relation to the bids' respective best non-price factor score which shall have 100% of the allocated percentage for the respective non-price factor.

3.3.2.B TOTAL NON-PRICE FACTORS SCORE FOR THE VISUAL SYSTEM

For the Visual System; it will be total score of:

- a) Compliancy of the Visual System against the Turkish Airlines Visual System Technical Specification and technical advantages of them. (15%).
- b) Demonstration assessment to be made in accordance with the criteria given in Appendix 1 (20%),

In the calculations of Non-price Factor Scores, the score of the given factors from **a** and **b** for the Visual System of the respective bid shall be prorated in relation to the bids' respective best non-price factor score which shall have 100% of the allocated percentage for the respective non-price factor.

3.3.3 Evaluation of bids shall be based on taking into account the bid having the lowest cost factor and the bid having highest non-price factors' score and the bidders' total score shall be calculated according to the formulation as below;



TURKISH AIRLINES INC.
A320 and A330/A340 FLIGHT SIMULATORS and VISUAL SYSTEMS
ADMINISTRATIVE SPECIFICATION

4

$$\text{Total Score} = X_{\min}/X \cdot 65 + Y/Y_{\max} \cdot 35$$

X min = The lowest Total Cost Factor among the bids

X = Total Cost Factor of the respective bid

Y max = The highest Total Non-price Factors Score among the bids

Y = Total Non-price Factors Score of the respective bid

4. VALIDITY PERIOD

The proposals shall be valid at least 120 (hundred and twenty) days from the date of tender.

5. ORDER NOTIFICATION & LETTER OF BANK GUARANTEE

Beginning from the date of Turkish Airlines Inc. order notification, within 30 (thirty) working days, an irrevocable, unconditional and payable upon first written demand Letter of Bank Guarantee or Standby Letter of Credit with one year term to be automatically renewed without any condition at each anniversary from a first class Bank acceptable to Turkish Airlines Inc., in the amount of 6 % of total contract value shall be submitted to Turkish Airlines Inc. by the bidder as a guarantee fund. If the bidder do not submit this letter of Guarantee and sign purchase contract simultaneously within 30 (thirty) working days beginning from the date of order notification, then Turkish Airlines Inc., have the right to cancel the purchasing.

In case of causing termination of contract by any reason by the selected bidder, the Letter of Bank Guarantee shall be forfeited.

6. NOTIFICATION OF THE SECOND MOST ADVENTAGEOUS BIDDER

If the bidder who has been awarded the contract did not submit a Letter of Bank Guarantee and did not simultaneously sign the contract, Turkish Airlines Inc. is entitled to sign the contract with the bidder of the second most advantageous bid, upon the approval of the second bid by the Turkish Airlines Inc.'s Board of Directors.

7. PAYMENT TERMS

7.1 90% of the payment will take place after the arrival of the Purchased Item(s) to the Customs in Istanbul / TURKEY and 10 % of the payment will be made after successful completion of Availability Demonstration Period.

7.2 If the bidder proposes a payment schedule other than this, the related financial cost shall be included in the total cost as set forth in 3.3.1.c. In case of down payment and prepayment request

prior to delivery, bidder agrees to provide Turkish Airlines Inc. against such payments an irrevocable and unconditional Bank Guarantee Letter payable upon first written demand and acceptable to Turkish Airlines Inc. in the amount of required down payment and each of the prepayment.



7.3 All payments shall be subject to receipt of original invoice and necessary approvals.

8. DUTIES, TAXES and OTHER EXPENSES

8.1 All taxes, duties and expenses including but not limited to insurance and freights incurred until the Delivery as per Article 2.1 excluding customs' duties and taxes shall be born by the bidder. Bidder shall be liable for all cost and damage to the Purchased Item(s) incurred before the Delivery to Turkish Airlines Inc. as per Article 2.1.

8.2 The contract related taxes , fees and other expenses imposed by the country of Bidder shall be borne by the Bidder. The contract related taxes, fees and other expenses imposed by Turkish Government shall be borne by Turkish Airlines Inc.

9. ACCEPTANCE

Acceptance of the Purchased Item(s) shall be performed in accordance with related Technical Specifications,

10. LIQUIDATED DAMAGE

10.1 Delayed Delivery for the Full Flight Simulator: In the event of failure by bidder in delivery of the simulator at the declared place on proposed delivery date which are both stated in Article. 2.1 & Article 2.2 of Administrative Specification respectively, the bidder shall pay 3.200 (three thousand two hundreds) EURO per each delayed day of A320 Simulator and 5.600 (five thousand six hundreds) EURO per each delayed day of A330/A340 Simulator as a liquidated damage.

10.2 Delayed Delivery for the Visual System: In the event of failure by bidder in delivery of the Visual System at the declared place and at the proposed delivery date which are both respectively stated in Article. 2.1 & Article 2.2 of Administrative Specification, the bidder shall pay 3200 (three thousand two hundreds) EURO per each delayed day as a liquidated damage.

10.3 If the delay continues more than 30 (thirty) calendar days, Turkish Airlines may either extend the penalty period or terminate the contract without any liability towards the bidder and draw the letter of Bank Guarantee and forfeit its amount and book such amount as income. In case the amount of BGL is less than the total of the Liquidated Damages occurred and all the amounts that were paid by Turkish Airlines Inc. together with interest at one year libor +%2 p. a. rate on the date of termination, Bidder shall pay Turkish Airlines Inc. the excess amount within 5 (five) business days upon the contract termination by Seller. For the avoidance of doubt in case the amount of BGL

is more than such total amount the excess amount shall be forfeited and booked as income by Turkish Airlines Inc.

This clause shall not be applied for delays caused (i) by Turkish Airlines Inc. (ii) by force majors



TURKISH AIRLINES INC.
A320 and A330/A340 FLIGHT SIMULATORS and VISUAL SYSTEMS
ADMINISTRATIVE SPECIFICATION

6

10.4 Availability Demonstration Period : Should the Purchased Item(s) do not reach the minimum availability rate stated in their Technical Specifications, responsible Seller shall pay 250 EURO per hour for FFS and for Visual System below the minimum availability rate of 99% (lost time) within 10 (ten) days from the determination of the number of lost hours.

11. PATENT and COPYRIGHTS

The selected bidder warrants that the Simulator and/or Visual System do not infringe any patent, copyright, trade secret, trade mark or any property right and the selected bidder shall indemnify, defend and hold Turkish Airlines Inc. harmless against and from any such claims, including royalty, legal expenses incurred by Turkish Airlines Inc. If the Simulator and/or Visual System becomes subject of a proceeding or claim of patent, copy right or other intellectual property right infringement, the selected bidder at its own cost and expense shall either procure for Turkish Airlines Inc. the right to use the Simulator and/or Visual System or substitute the Simulator and/or Visual System or modify the Simulator and/or Visual System so that it no longer constitutes such infringement.

12. A contract between Turkish Airlines Inc. and selected bidder will be concluded after the bidding. If any discrepancy arises between the Administrative and the Technical Specifications and the contract, those to be supplied are the ones to the best of Turkish Airlines Inc. interests. Turkish Airlines Inc. reserves the full right and is completely free to award the tender to any of the bidders and shall not be held responsible in any way or matter to any party whatsoever until the contract is signed.

13. Turkish Airlines Inc. reserves the right to make or cancel the bidding or make partial or full purchase from which Turkish Airlines Inc. deems to be appropriate and Turkish Airlines Inc. is free to choose the appropriate price proposal.

14. The execution of the contract shall be subject to Board approval.

15. Delay or failure by Turkish Airlines Inc. in exercising of any right under either Technical or Administrative Specification or this tender or applicable law shall not be construed as a waiver of such rights.

16. Bidder shall keep confidential any and all information which is provided by Turkish Airlines Inc.

17. This Administrative Specification and Technical Specifications and all related documents shall be governed by Turkish Law, and Istanbul courts and execution offices shall have the jurisdiction.

18. Clause headings and table of contents are inserted for convenience of reference only, so that they have no legal effect and shall be ignored in the interpretation of this Agreement.

Turkish airlines inc.



TURKISH AIRLINES INC.
A320 and A330/A340 FLIGHT SIMULATORS and VISUAL SYSTEMS
ADMINISTRATIVE SPECIFICATION



Appendix 1

Demonstration Assessment Criteria of Full Flight Simulators

1. Perceived realism of the simulation and subjective evaluations of Demonstration Flight.
2. Design features, functionality and quality of the Instructor Operator Station.
3. Assessment of the Full Flight Simulator during Demonstration Flight.
4. Design features of the Optic System.
5. Flight Compartment ergonomic.
6. Ease of operation and maintenance aids (Test tools, accessibility, interchangeability, and modularity).
7. Overall design features, structural and installation quality of the Full Flight Simulator.

Demonstration Assessment Criteria of Visual System

1. Perceived realism of Visual Scene and subjective evaluations of Demonstration Flight. (Model Quality, Environmental Simulation, Feature Recognition)
2. Quality of the world wide terrain data and texture.
3. Assessment of Visual System during Demonstration Flight.
4. Projection System quality.
5. Ease of maintenance aids (Test tools, accessibility, interchangeability, modularity, auto alignment).
6. Overall design features, structural and installation quality of the Visual System.
7. Quality of the Generic Airport Generation Tool.