



Headquarters
New Zealand Defence Force
Defence House
Private Bag 39997
Wellington Mail Centre
Lower Hutt 5045
New Zealand

OIA-2025-5347

3/8 October 2025

Dear [REDACTED]

I refer to your email of 12 April 2025 about the sale of New Zealand Defence Force (NZDF) C-130H Hercules aircraft to Coulson Aviation, requesting, under the Official Information Act 1982 (OIA), *all documents and communications held by the NZDF in regards this sale, including the decision as to under what basis the sale would be conducted.*

I apologise for the significant delay in providing this response. This was the result of the time required to review a large amount of related information and consultation with concerned parties.

The disposal of the NZDF C-130H Hercules aircraft was a five-year process that generated a large amount of documentation. As a result, your request for all communications is declined in accordance with section 18(f) of the OIA. Restricting this to just those communications directly related to the sale does not change the decision because a manual review of the hundreds of emails to remove false positives and duplicates would still be required.

Enclosed are the documents relevant to the sale of the aircraft to Coulson Aviation. Where indicated, information is withheld: in accordance with section 6(a) of the OIA as making the information available would be likely to prejudice the security and defence of New Zealand, or the international relations of the Government of New Zealand; in accordance with section 9(2)(a) of the OIA to protect privacy; in accordance with section 9(2)(ba)(i) of the OIA as this information was provided to the NZDF on a basis of confidence; in accordance with section 9(2)(g)(i) of the OIA to maintain the effective conduct of public affairs through the free and frank expression of opinions.

A copy of the agreement with Coulson Aviation is withheld in full in accordance with section 9(2)(ba)(i) of the OIA for the reason provided above. The public interest in releasing this document does not outweigh the reason to withhold it at this point as the contract is not yet completed.

You have the right, under section 28(3) of the OIA, to ask an Ombudsman to review this response to your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that responses to official information requests are proactively released where possible. This response to your request will be published shortly on the NZDF website, with your personal information removed.

Yours sincerely

GA Motley

Brigadier

Chief of Staff HQNZDF

Enclosures:

1. Procurement Assurance Board Endorsement for Reverse Procurement and Evaluation Plan for Disposal of C-130H (NZ) Fleet
2. Procurement Assurance Board Endorsement for Reverse Procurement and Evaluation Recommendation for Disposal of C-130H (NZ) Fleet
3. C-130H Hercules Aircraft Withdrawal from Service
4. Sale of Surplus C-130H Aircraft to Coulson Aviation (USA)

NEW ZEALAND DEFENCE FORCE
Defence Commercial Services
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NZDF/GPAB/Pro_3671

15.01.2024

General Procurement Assurance Board Traveller Responses

**PROCUREMENT ASSURANCE BOARD ENDORSEMENT FOR REVERSE
PROCUREMENT AND EVALUATION PLAN FOR DISPOSAL OF C-130H (NZ) FLEET**

- CCO – DCS - Barbara McCallum - Endorsed
- LCL – COL s. 9(2)(g)(i) – Endorsed
- INV MGR – s. 9(2)(g)(i) – Endorsed
- CPM DDG – DCS – Matthew Webb – Endorsed

s.9(2)(a)

Governance and Compliance Coordinator

Headquarters New Zealand Defence Force
Joint Defence Services - Disposals
MINUTE

9 January 2024

Pro_3671

GENERAL PROCUREMENT ASSURANCE BOARD

(Through: Practice Leads– Cap/Log and DDG)

PROCUREMENT ASSURANCE BOARD ENDORSEMENT FOR REVERSE PROCUREMENT AND EVALUATION PLAN FOR DISPOSAL OF C-130H (NZ) FLEET

Purpose

1. The purpose of this minute is to seek endorsement from the General Procurement Assurance Board (GPAB) for the Reverse Procurement and Evaluation Plan (Reference A) for the disposal of the C-130(H) fleet.

Business Objectives

2. The key objective of this reverse procurement is to identify either a suitable cash buyer for the entire package itemised above, or individual buyers for components of the package.

The reverse procurement will help NZDF achieve its long-term strategies and goals by cost-efficient divestment of an obsolete defence platform.

Conflict of Interest

3. Two Project Team members have declared prior interactions with potential Buyers; both have management plans in place. All other members of the Project Team have not declared any actual, potential or perceived conflict of interest with potential Buyers.

4. Signed conflict of interest forms are held in the project file PRO3671.

Recommendation(s)

5. It is recommended that the DCS GPAB:

- a. **Endorse** the Reverse Procurement and Evaluation Plan for the disposal of the C-130(H) fleet.

Enclosure:

- 1. Reverse Procurement and Evaluation Plan – Disposal of C-130H (NZ) Fleet



NZDF Reverse Procurement and Evaluation Plan






for

Disposal of C-130H (NZ) Fleet

PRO 3671

Endorsement to implement this Reverse Procurement and Evaluation Plan

(prior to submission to the General Procurement Assurance Board)

Name	Role	Signature	Date
Morgan Proctor	Director DSCG	 Morgan Proctor endorsement.msg	8 Jan 2024
Chris Calvert	Manager, DLC National Disposals Office	 Chris Calvert endorsement.msg	12 Dec 2023
WGCDR s. 9(2)(g)(i)	Deputy Director Aerospace Delivery & Disposal	 WGCDR s. 9(2)(g)(i) endorsement.msg	14 Dec 2023
GPCAPT s. 9(2)(g)(i)	Logistics Commander (Air)	 GPCAPT s. 9(2)(g)(i) endorsement.msg	18 Dec 2023
s. 9(2)(g)(i)	DCS Practice Lead, DDG	 second PL endorsement.msg	12 Dec 2023

Document Information

Reverse Procurement and Evaluation plan	Reverse Disposal of C130H frames, engines and associated items
Supporting documents	C-130H Fleet Disposal Strategy – approved by CDF 02 Mar 22 C-130H Fleet High Level Disposal Plan – approved by CDF Aug 2022
Related programmes or projects	C-130J FAMC Disposal of P3 aircraft (PRO-1993)
Procurement Compliance	This procurement plan complies with the current Government Procurement Rules and DFO 52, Vol 2.
Author	s. 9(2)(g)(i), Practice Lead, DCS CapLog
Date	12 Dec 2023

Executive Summary

The New Zealand Defence Force (NZDF) will shortly be withdrawing its fleet of five C-130H (NZ) aircraft from service.

Aircraft are being progressively retired over the period 2022-2025. Retired aircraft are being flown to RNZAF Base Woodbourne in Blenheim for storage. Support inventory is primarily located at RNZAF Base Auckland with some elements at other locations within New Zealand.

The NZDF intends to offer four aircraft from the fleet plus limited support inventory for tender.

One airframe is intended to be retained as an exhibit at the Air Force Museum of New Zealand. Some aircraft spares, components and Ground Support Equipment (GSE) will be retained for training purposes and continued operation of the C-130J and other aircraft fleet.

Any continued operation of the C-130H (NZ) in or around NZ is not considered to be in New Zealand's strategic interests and a condition of any sale is that the aircraft must be exported from New Zealand.

This disposal plan seeks to elicit responses and offers from interested parties for the aircraft, support systems and inventory on the following basis:

- (a) The fleet and inventory will not be offered as a going concern;
- (b) The current Flight Management System is non-CAA compliant;
- (c) Aircraft NZ7003 has been the source of spares for the remaining fleet so is incomplete;
- (d) The NZDF will dispose of any residual assets not required by the preferred respondent;
- (e) Aircraft and inventory will be in various states of serviceability and are offered as-is, where-is;
- (f) All assets must be exported from New Zealand as a condition of sale;
- (g) Training will not be provided; and
- (h) The prior approval of US Department of State or other relevant agencies will be required for any eventual sale.

The overarching Procurement Strategy for this disposal is to publish a Reverse RFP to the open market on GETS and NZDF SmartProcure. The Reverse RFP will seek offers for all or part of the following items:

- (a) Four (4) C-130H (NZ) aircraft;
- (b) Part Task Trainer
- (c) Limited Spares (H unique spares only)
- (d) Ground Support Equipment
- (e) Related publications

Procurement Objectives

The key objective of this procurement is to identify either a suitable cash buyer for the entire package itemised above, or individual buyers for components of the package.

The procurement will help NZDF achieve its long-term strategies and goals by cost-efficient divestment of an obsolete defence platform.

Recommendation

It is recommended that you:

- a. **Endorse** this Reverse Procurement and Evaluation Plan for the disposal of C130H aircraft and associated items;

1 Purpose

1.1 This Reverse Procurement and Evaluation Plan sets out an auditable record of:

- NZDF's requirements and strategy for the disposal of the C-130H aircraft and associated items
- The buyer selection process that will be used to engage with the market.
- The nature and timing of engagement with the market.
- The methodology and process of buyer engagement and selection.

The Reverse Procurement and Evaluation Plan encompasses the information required by MBIE in a Significant Procurement Plan which is required in accordance with Rule 19 of the Government Procurement Rules, when the whole-of-life value of procurement is \$5 million or more.

1.2 The Reverse RFP will seek offers for all or part of the following items:

- (a) Four (4) C-130H (NZ) aircraft
- (b) Part Task Trainer
- (c) Limited Spares (H unique spares only)
- (d) Ground Support Equipment
- (e) Related publications

2 Broader Outcomes and Progressive Procurement Policy

2.1 In 2018, the New Zealand government recognised that its procurement activities offer a unique opportunity to achieve broader cultural, economic, environmental and social outcomes for New Zealand. Of these broader outcomes, the government identified four priority outcomes for agencies to focus on - increasing access for New Zealand businesses, construction skills and training, improving conditions for New Zealand workers, and reducing emissions and waste.

NZDF is mandated to consider and where possible, deliver these specific priority outcomes in all its procurement activities. Therefore, and in accordance with the above requirements, the broader outcome listed below has been identified as being relevant to this reverse procurement activity:

Priority Outcome	Minimum Requirement
Priority Outcome 4: Reducing Emissions and Waste <i>(Rule 20 – Government Procurement Rules)</i>	<p>The New Zealand government is committed to achieving positive environmental outcomes through sustainable procurement by buying low emissions and low waste goods, services and works.</p> <p>Transitioning to a net-zero emissions economy and designing waste out of the system, for example:</p> <ul style="list-style-type: none">• When purchasing vehicles from the All of Government (AoG) motor vehicles contract, agencies need to purchase vehicles that are 20% below their current emissions profile.• When purchasing heating systems for a government building, agencies need to ensure that they are buying a low emission heating option. Agencies must not purchase coal boilers.• When purchasing office supplies from the AoG supplies contract, agencies need to purchase items that produce low amounts of waste and/or are recyclable

This outcome will be included in the Reverse RFP documentation following approval of this Reverse Procurement and Evaluation Plan.

Should the fleet, or parts of the fleet, be required to be disposed of within New Zealand then this process will be undertaken with recovery of raw materials through reuse or recycling where possible to avoid or reduce waste to landfill.

- 2.2 In addition, a new Progressive Procurement Policy with a focus on Maori businesses was announced in December 2020. The purpose of the policy is to increase the diversity of government suppliers and to develop an intentional approach to the government spend to achieve broader social and economic outcomes.

The Reverse RFP will ask buyers to demonstrate how they ensure their supply chains do not involve any modern slavery.

3 Buyer market analysis

- 3.1 NZDF published a Request for Information (RFI) in 2021, prior to issuing a Reverse RFP for the disposal of the P3 fleet. Four suppliers responded to the RFI; five buyers responded to the RFP for the P3 disposal.

- 3.2 s.9(2)(g)(i)

4 Price Drivers

- 4.1 Buyers' price offers are driven by:

(a) Scarcity – aircraft similar to C-130H don't come onto the market often; buyers may need to maximise their likelihood of a successful bid for each opportunity but this is tempered by a reducing commercial opportunities for older assets like the C-130H

(b) Demand – buyers will be aware of how many other buyers are competing for the same items; more buyers means a higher price is likely to be needed to be successful

(c) Timing – buyers may be looking for different types of aircraft at different times; if C-130H are not needed in 2024 then prices offered will be low. If other similar aircraft have also been offered for sale then prices offered will be low (e.g. RAF has recently released its entire C-130J Fleet for disposal)

(d) Terms and Conditions – buyers may offer a higher price if the NZDF Ts & Cs are attractive to them; conversely they won't e.g. if they have an intended use that is not allowed then they will offer a lower price or not bid at all

(e) NZ is in a remote part of the world and all assets need to be flown or shipped out at significant cost which reduces what bidder will be willing to pay.

- 4.2 Any asset is only worth what a bidder is willing to offer and so NZDF does not have any actual price expectations. A bid of NZ\$1 is actually better than no bids and a resultant demilitarisation/disposal bill that could be over NZ\$2 million due to the disassembly and US-Imposed demilitarisation requirements.

5 Stakeholder Management

5.1 Stakeholders in the Reverse RFP and Communication Framework

Stakeholder	Role	Concerns	Contact Type	Frequency
Chief of Airforce Deputy Chief of Airforce LC(A) COMLOG Director Aerospace Domain Director Air Transition	Senior Stakeholders	Capability management	Email and advisory minutes	At key progress points
Director Supply Chain Management (DSCM)	Business Owner Approval and accountability for project decisions and outcomes, must inform Senior Stakeholders.	Delivery of Intended Outcomes	In-person, email and decision minutes	At key decision points
NZDF Disposal Manager	Project Lead Responsible for project activity, must consult Business Owner	Delivery of Intended Outcomes		Continuous
Base Commander Auckland	Maintenance & operation of C-130H until disposal	Timing Workforce impacts	Meetings and email	As required
Base Commander Woodbourne	Storage of C-130H until disposal	Timing Workforce impacts	Email	As required
Airforce Museum	Receiver of one C-130H	Timing	Email	As required
DCS Procurement Lead	Responsible for the reverse procurement process, approvals and documentation	Procurement practice Probity Commercial risk	Meetings and email	Throughout
DLS	Responsible for providing legal advice, in interpretation of specific policy	Compliance Legal risk	Email	As required
Evaluation Team	Represent stakeholders of the reverse procurement process and outcomes	Functionality	Meetings and email	Fortnightly
Procurement Advisory Board (PAB)	Approval and accountability for project reverse procurement decisions and outcomes.	Compliance	Email	For Procurement and Evaluation Plan and Evaluation Report

5.2 For this reverse procurement activity, the following RACI will apply:

Activity	Responsible	Accountable	Consulted	Informed
Technical Requirements & Scope	Project Lead	Business Owner	Evaluation Team Future Air Mobility Capability (FAMC) Air Transition Team (ATT)	Senior Stakeholders
Sourcing process - Procurement documents - Obtaining approvals - Conflicts of Interest - Admin support for sourcing process - Evaluation - Commercial Risk Management - Probity Management - Contract Drafting - Contract Award Notice	Procurement Lead	Procurement Lead	Evaluation Team DLS	Senior Stakeholders
Contract Negotiations	Project Lead	Project Lead	Business Owner DLS Procurement Lead	Senior Stakeholders
Buyer debriefs	Project Lead	Procurement Lead	Evaluators	Senior Stakeholders

6 Transition Planning

- 6.1 The FAMC Integrated Project Team have identified current contracts that will need to remain in place (with variation if needed) after disposal of the C-130H (NZ) aircraft.
- 6.2 RNZAF Air Transition Team (ATT) are identifying items to be retained and items to be included in this reverse procurement scope, to be confirmed by DSCM.
- 6.3 The National Disposal Office will help facilitate asset transfer requirement but all export activity is a Respondent responsibility and risk.
- 6.4 The NZDF will likely dispose of any residual assets not required by the preferred respondent.

7 Risk Management

- 7.1 NZDF has assessed the market and considered the benefits and risks relative to the objectives set out in this Reverse Procurement and Evaluation Plan in the provisions of the Government Procurement Rules. Risks associated with this project have been considered and are outlined in the table below:

Risks - Summary Table					
Risk	Description and Consequences	Impact	Likelihood	Rating	Mitigation
Assets for sale	If the catalogue of assets offered for sale is inaccurate then NZDF will lose credibility on the buyer market	Severe	Possible	High	The asset catalogue will be carefully reviewed, confirmed and audited before the Reverse RFP is published
Transfer authority	s.6(a)	Severe	Possible	High	NZDF Disposal team will engage with USG at earliest possible stage to identify requirements and authority process
Environmental impact	If the proposed usage of the disposed assets has a detrimental environmental effect then NZDF's reputation will be damaged along with the environment	Moderate	Possible	Medium	Potential buyers will be required to describe the expected environmental impact from their intended use; evidence may be requested after sale.
Environmental impact	Disposal may have adverse environmental impact	Moderate	Possible	Medium	All disposal within NZ will be handled within Environmental Protection Agency (EPA) and local council rules. Recycling will be undertaken where possible and waste to landfill limited.
NZDF and the preferred buyer have different expectations	If NZDF and the preferred buyer have different expectations then either party may not meet their obligations, leading to a range of poor outcomes e.g. financial loss, reputational damage	Moderate	Possible	Medium	NZDF will release comprehensive information. Buyers must include their assumptions with their proposal; NZDF will talk through those assumptions with all short listed buyers to ensure mutual expectations are clear and evidence based
Unsuccessful buyer challenge	If an unsuccessful buyer challenges the NZDF disposal process then NZDF's reputation could be damaged	Moderate	Possible	Medium	The disposal process will be undertaken as planned in this document, with each step and decision documented

Risks - Summary Table					
Risk	Description and Consequences	Impact	Likelihood	Rating	Mitigation
Inability to dispose	If NZDF is unable to identify and engage a suitable buyer then we will be left with a zero value asset	Moderate	Possible	Medium	Openly advertise the opportunity through GETS and use NZDF London and Washington offices for additional promotion
Critical people are unavailable when needed	s. 9(2)(g)(i) ; if NZDF people are unavailable then the process will be delayed	Moderate	Likely	Medium	s. 9(2)(g)(i) ; RFP wording will advise that MRO support is not assured; process time frames are planned ahead as much as possible
Sensitive information may be released inadvertently	If sensitive information is released inappropriately then NZDF reputation and standing will be damaged; military operations could be compromised	Severe	Possible	High	Prior to release, all information and data will be confirmed by the C130H Disposal Project Manager who will seek additional advice as required.
ITAR and controlled technology obligations aren't met	s.6(a)	Severe	Possible	High	Data and publications containing technical design will not be provided to buyers. Prior approval will be obtained before the sale is executed.

7.2 s. 6(a)

No access to classified data or access to classified area will be allowed for tenderer. All requests for information and data will be subject to review. Aircraft, systems and documentation will be sanitised or demilitarised as appropriate by NZDF internal resources prior to delivery.

8 Approach to market strategy

- 8.1 NZDF will run an Open Competitive Reverse Request for Proposal (RFP) and any party will be free to participate.
- 8.2 Selection criteria have been carefully considered to quickly discount non-compliant Respondents.
- 8.3 The end state of the procurement and evaluation process will be to identify the most suitable Tenderer(s) according to their evaluation scores and will be subject to endorsement by the DCS PAB.

9 Approach to market timeline

Action	Indicative date
Pre-procurement	
Evaluation Panel confidentiality and conflict of interest declarations signed	Late November 2023 (done)
Reverse Procurement and Evaluation Plan approved	Mid December 2023
Advance notice published on GETS	Mid December 2023
Tender documents approved	Mid January 2024
Tender	
Tender advertised on GETS	Late January 2024
Facilitate asset inspection in person or via video link.	March 2024
Last date for buyer questions	Early April 2024
Last date for NZDF to answer questions	Mid April 2024
Tender closing date	Late April 2024
Evaluation Panel confidentiality and conflict of interest declarations updated	Late April 2024
Evaluation	
Evaluation panel individual evaluation	May 2024
Evaluation panel moderation session/s	Early June 2024
Recommendation to Shortlist approved	Mid June 2024
Advise unsuccessful buyers of outcome	Late June 2024
Meeting/workshops with shortlisted buyers	July 2024
Due diligence (phase one)	July 2024
Recommendation of preferred buyer approved	Early August 2024
Advise buyers of outcome	Mid August 2024
Post-evaluation	
Due diligence (phase two)	August/September 2024
Contract negotiation	August/September 2024
Contract approval / execution (subject to US and NZ Govt approvals)	Early October 2024
Contract start date (staged handover)	Mid October 2024 onward
Debrief buyers	Late October 2024

Action	Indicative date
Contract award notice published on GETS	November 2024
Project closure report	November 2024

10 Evaluation

10.1 Evaluation methodology. NZDF utilises the SmartProcure online web-based tender system to issue and receive bids. The SmartProcure evaluation methodology is based on a three-envelope evaluation method:

a. Qualification Envelope: (mandatory requirements, pass/fail criteria).

This envelope contains any elements perceived to be absolutely mandatory to the tender responses and will immediately disqualify a response if one is not met. Qualification Section to include:

i. Contacts/Business information.

ii. Acceptance of NZDF conditions of offer. These will be included as a separate document for the Reverse RFP, but are expected to include:

- The fleet and inventory will not be offered as a going concern;
- Military grade systems such as the navigation radar, missile detection warning and classified communications will not be included
- The Flight Management System is non-CAA compliant;
- NZ7003 has been the source of spares for the remaining fleet so is incomplete;
- The NZDF will dispose of any residual assets not required by the preferred respondent;
- Aircraft and inventory will be in various states of serviceability and will be offered as-is, where-is;
- All sold assets must be exported from New Zealand as a condition of sale;
- Training will not be provided; and
- The prior approval of US Department of State or other relevant agencies will be required for any eventual sale.

iii. Acceptance of NZDF core terms of contract.

b. Technical Envelope: (functional and non-functional requirements).

This envelope determines the overall technical capability of the buyer. Each requirement will be weighted to indicate its level of importance. For this procurement the Technical Envelope will be weighted at 80% indicating a high level of importance on technical capability and ability to remove the assets as soon as possible.

Technical Envelope Criteria Headings	Weighting %
<ul style="list-style-type: none"> Asset Transfers <p>Describe similar asset transfers you have completed, including location, scale and complexity (reference client for at least one of these examples to be provided). Include how risks were identified and managed.</p> <p>Describe your experience with previous US Department of State Third Party Transfers (TPT). Advise whether the US Department of State has ever refused a TPT to you.</p> <p>Describe your proposed arrangements for this asset transfer from NZDF ownership and transit to final destination. Include proposed time frames and likelihood of achieving them. Describe how you will manage known constraints if you intend to fly aircraft out.</p>	35%
<ul style="list-style-type: none"> Market Presence <p>Demonstrate that you are a credible and trustworthy buyer.</p> <p>This should include information about your areas of business operation, current personnel, market presence with relation to this acquisition, and how the purchase will be funded.</p>	25%
<ul style="list-style-type: none"> Future Use <p>Outline proposed future use of the assets including whether intention is to operate the fleet in some capacity and/or reduce to spares.</p>	20%
Total	80%

c. Commercial Envelope: (pricing)

This envelope assesses the price offered and overall value of the response, taking into account any proposed conditions on the price offered. The highest price will be allocated a score of the full 20% for the price criteria. Each other response will be allocated a score in relation to the highest price tendered. The formula used to calculate this will be (current price being scored/ Highest Price) x price weighting.

Any price offered that appears unusually high, especially in relation to other offers, will be discussed with the respondent to ensure their pricing assumptions are valid.

- 10.2 Evaluation procedure. Each response will be evaluated on how well it meets the requirements as described in the Reverse RFP. The objective is to select the option that best meets the requirements at the optimal price. The process will involve up to six stages as outlined below.

Stage	Description
Stage one Starting the evaluation	<p>The Evaluation Team will attend a briefing before the Reverse RFP is published, reminding them about the importance of probity in the process and their commitment to a robust and transparent evaluation process. The individual evaluation spreadsheet and process will be explained.</p> <p>Once the Reverse RFP closes and respondents are known, the Evaluation Team will update their Conflict of Interest (if appropriate) and return it to the Procurement Lead.</p> <p>Individual evaluation spreadsheets will be issued.</p>
Stage two Individual evaluation	Each member of the Evaluation Team will independently score responses using the evaluation scoring spreadsheet supplied. Comments should be recorded about reasons for scores, as those will inform the moderation conversation and buyer debriefs. Any evaluator's questions will be directed to the Procurement Lead only.
Stage three Panel moderation meeting	For each criteria listed in the Reverse RFP document, the evaluation team members will discuss their individual ratings and arrive at a consensus score. If a consensus cannot be reached, the Procurement lead will decide the score based on the moderation conversation and record and dissenting opinions.
	The Procurement Lead will present the financial evaluation.
	Respondents will be ranked depending on their total evaluation scores and the panel will agree which buyer/s will be recommended for short listing. If any further information or clarification is needed the panel will reconvene after that is received, and agree their recommendation for short listing then.
Stage four Shortlisted buyer workshops	<p>Shortlisted buyers will be invited to a workshop/s with the evaluation team, where they will be asked to talk through their proposed transfer process in more detail, including any assumptions they have made and expectations they have for NZDF. The evaluation team can ask questions and vice versa. The intention is to ensure both parties have clear and shared expectations.</p> <p>Shortlisted buyers will be offered an opportunity to revise their price offer.</p>
Stage five Re-evaluation of short listed buyer	<p>The evaluation team will reconvene after the shortlisted buyer workshops to discuss any consensus scores to be adjusted and/or any revised pricing offers.</p> <p>The panel will agree a recommended preferred buyer/s.</p>
Stage six Evaluation completion	The Procurement Lead will prepare the evaluation report and preferred buyer/s recommendation, which will be submitted to the GPAB for endorsement.

10.3 Evaluation panel

Name	Role	Represents
s. 9(2)(g)(i)	Facilitator Qualification evaluator Pricing evaluator Probity	DCS
Chris Calvert	Technical evaluator	NZDF Disposal Team
DSCM Philip Simpson	Technical evaluator	NZDF Supply Chain

Name	Role	Represents
SQNLDR s. 9(2)(g)(i)	Technical evaluator	LC(A)
SQNLDR s. 9(2)(g)(i)	Technical evaluator	Capability Branch
WGCDR s. 9(2)(g)(i)	Technical evaluator	ATT
s. 9(2)(a)	Observer	NZDF Disposal Team
FLTLT s. 9(2)(a)	Observer	Materiel Support Wing

The names of evaluators and advisors will be kept confidential from tender respondents.

s. 9(2)(g)(i) NZDF DLS will provide legal advice, as requested.

11 Due Diligence

11.1 This plan proposes that the following due diligence will be undertaken.

- (a) Short listed buyers will be asked to provide Contact details for their reference client/s. The Project and Procurement Lead will undertake reference conversations, using the same questions for each referee, plus questions for any issues arising from the evaluation moderation.
- (b) The project lead will check and confirm company experience and background.
- (c) Preferred buyer/s may be asked to provide further information the evaluation team request to give them full confidence in the preferred buyer.

12 Communication with Respondents during the Procurement Process

- 12.1 The guiding principle of transparent procurement is to ensure a fair process to all participants and that communications do not advantage or disadvantage participating Respondents. To ensure the robustness of the procurement process a record of all engagements has and will continue to be maintained within NZDF's electronic file structure.
- 12.2 Advance Notification to current and potential Buyers. NZDF will provide the market with advance update notices of NZDF's intention to go out to Open Tender.
- 12.3 Reverse Request for Proposal (RFP). A notice will be issued to the market on GETS. This notice will direct potential respondents to SmartProcure.
- 12.4 During the tender process all communication with respondents will be in writing via the Q+A function in SmartProcure and, to ensure consistency, will be through a single nominated party from NZDF i.e. the Procurement lead. NZDF can elect to disclose communication to all respondents with the exception of commercially sensitive questions.
- 12.5 Following the evaluations of the responses, negotiation (if required) will commence with the preferred buyer/s.
- 12.6 Buyer Debriefs and Post Award Notification. In accordance with Rule 46 of the Government Procurement Rules buyers will be offered a debrief in writing or in person. Buyers can provide feedback to NZDF and suggest ideas that could make it easier to do business with government.

- 12.7 Once the contract/s have been signed by both parties NZDF will publish a notice (the Post-Award Notice) on GETS.

13 Contract

- 13.1 The Reverse RFP will include the NZDF Agreement for Sale and Purchase Relating to Disposal of Fleet.
- 13.2 Reverse RFP respondents will be required to confirm their acceptance of the core terms of this contract.
- 13.3 The Project Lead will be responsible for negotiating any variations to this contract before it is executed, with support from the Procurement Lead and NZDF DLS.
- 13.4 The responsibility for managing delivery under the contract and buyer relationship management will pass to the NZDF Disposal Team on the signing of the contract.

14 Probity

- 14.1 It is essential that NZDF demonstrates ethics and integrity in its procurements. This means:
- acting fairly, impartially, and with integrity
 - being accountable and transparent
 - being trustworthy and acting lawfully
 - managing conflicts of interest
 - protecting the buyers' commercially sensitive and confidential information.
- 14.2 Probity in this procurement will be managed by:
- a probity briefing for all personnel involved in the evaluation process
 - ensuring compliance with NZDF's code of conduct
 - ensuring that authority for the reverse procurement is approved before proceeding to tender
 - ensuring everyone involved in the process signs a confidentiality agreement and declares any actual, potential or perceived conflict of interest
 - identifying and effectively managing all conflicts of interest
 - all tender responses are to be treated in the strictest confidence and SmartProcure login details must be securely stored
 - printing, photocopying and electronic transfer of tender responses for evaluation purposes should be kept to a minimum
 - treating all buyers equally and fairly
 - offering each buyer with a comprehensive debrief at the end of the tender process.
- An independent probity advisor or auditor will not be required; the Procurement Lead will be responsible for reviewing probity during the project.

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10.07.2024

General Procurement Assurance Board Traveller Responses

**PROCUREMENT ASSURANCE BOARD ENDORSEMENT FOR REVERSE
PROCUREMENT AND EVALUATION RECOMMENDATIONS FOR DISPOSAL OF C-130H
(NZ) FLEET**

- Chair – Nicki Lau Young – Endorsed
- DCCO – DCS - Barbara McCallum - Endorsed
- CPM DLC – DCS – s. 9(2)(g)(i) – Endorsed
- LCL – COL s. 9(2)(g)(i) – Endorsed

COMMENTS

s. 9(2)(a)

Governance and Compliance Coordinator

Headquarters New Zealand Defence Force
Joint Defence Services - Disposals
MINUTE nn/2024

2 July 2024

Pro_3671

GENERAL PROCUREMENT ASSURANCE BOARD

(Through: Practice Leads – Cap/Log & DDG)

**PROCUREMENT ASSURANCE BOARD ENDORSEMENT FOR REVERSE PROCUREMENT AND
EVALUATION RECOMMENDATIONS FOR DISPOSAL OF C-130H (NZ) FLEET**

Purpose

1. The purpose of this minute is to seek endorsement from the General Procurement Assurance Board (GPAB) for the Reverse Procurement Evaluation Recommendations (Reference A) for the disposal of the C-130(H) fleet.

Business Objectives

2. The key objective of this reverse procurement was to identify either a suitable cash buyer for the entire package itemised above, or individual buyers for components of the package.

The reverse procurement will help NZDF achieve its long-term strategies and goals by cost-efficient divestment of an obsolete defence platform.

Conflict of Interest

3. Project Team members declared prior interactions with potential Buyers; management plans were in place and probity records maintained.
4. Signed conflict of interest forms are held in the project file PRO3671.

Recommendation(s)

5. It is recommended that the DCS GPAB:
 - a. **Endorse** the Reverse Procurement Evaluation Recommendations for the disposal of the C-130(H) fleet.

Enclosure:

1. Reverse Procurement Evaluation Recommendations – Disposal of C-130H (NZ) Fleet



**Evaluation panel
recommendation**

For

Disposal of C-130H (NZ) Fleet

PRO 3671






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Document	
Prepared by:	s.9(2)(g)(i)
Position / title:	Practice Lead & Chair of the Evaluation Panel
Business unit:	Defence Commercial Services
Date:	2 July 2024

Endorsement

Recommendation

The voting members of the evaluation panel			
The evaluation of bids has been carried out as planned and the ranking of suppliers accurately reflects the panel's conclusions.			
Name:	Position / title:	Signature:	Date:
Chris Calvert	Programme Director Fleet Disposals	 RE For action - C-130H - evaluation	2 July 2024
WGCDR s. 9(2)(g)(i)	Director Air Transition Team	 RE For action - C-130H - evaluation	2 July 2024
Philip Simpson	Deputy Director Supply Chain Management	 RE For action - C-130H - evaluation	2 July 2024
SQNLDR s. 9(2)(g)(i)	OC Supply Chain ORI/HER - MSW	 RE For action - C-130H - evaluation	2 July 2024
SQNLDR s. 9(2)(g)(i)	Senior Project Manager Capability Branch	 RE For action - C-130H - evaluation	2 July 2024

Endorsement of the evaluation panel recommendation, prior to submission to the General Procurement Assurance Board (GPAB)

Chair of the evaluation team		
Endorsement:	The evaluation of bids has been carried out as planned and I endorse the panel's recommendations.	
Name:	Morgan Proctor	
Position/title:	Director DSCG	
Signature:	 RE URGENT for re-review and endor	Date: 5 July 2024

Summary

Background

The New Zealand Defence Force (NZDF) will shortly be withdrawing its fleet of five C-130H (NZ) aircraft from service.

Aircraft are being progressively retired over the period 2022-2025. Retired aircraft are being flown to RNZAF Base Woodbourne in Blenheim for storage. Support inventory is primarily located at RNZAF Base Auckland with some elements at other locations within New Zealand.

One airframe is intended to be retained as an exhibit at the Air Force Museum of New Zealand.

Some aircraft spares, components and Ground Support Equipment (GSE) will be retained for training purposes and continued operation of the C-130J and other aircraft fleet.

Any continued operation of the C-130H (NZ) in or around NZ is not considered to be in New Zealand's strategic interests and a condition of any sale is that the aircraft must be exported from New Zealand.

This evaluation panel recommendation follows the reverse procurement and evaluation plan dated 12 Dec 2023 endorsed by the General Procurement Assurance Board (GPAB) on 15 Jan 2024.

What we are selling

This Recommendation relates to the sale of

- Four (4) C-130H (NZ) aircraft;
- Part Task Trainer
- Limited Spares (H unique spares only)
- Ground Support Equipment
- Related publications

Objectives

The key objective of this reverse procurement was to identify either a suitable cash buyer for the entire package, or individual buyers for components of the package.

The reverse procurement will help NZDF achieve its long-term strategies and goals by cost-efficient divestment of an obsolete defence platform.

Evaluation panel

A cross-functional team of participants was involved in the evaluation of bids and recommending the supplier.

Non-voting members

Role	Name	Position
Chair of evaluation panel, probity lead and pricing review	s. 9(2)(g)(i)	DCS CapLog Practice Lead
Observer:	s. 9(2)(a)	Commercial and Procurement Specialist
Observer:	s. 9(2)(a)	NZDF Disposal Team
Observer:	FLTLT s. 9(2)(a)	NZDF Supply Chain

Voting members

Name	Role	Represents
Chris Calvert	Technical evaluator	NZDF Disposal Team
DSCM Philip Simpson	Technical evaluator	Supply Chain Management
SQNLDR s.9(2)(g)(i)	Technical evaluator	Logistics Commander Air
SQNLDR s.9(2)(g)(i)	Technical evaluator	Capability Branch
WGCDR s.9(2)(g)(i)	Technical evaluator	Air Transition Team

Evaluation methodology

Evaluation method

- The evaluation model that was used is weighted attribute
- Price was a weighted criterion. A two-envelope process was used and suppliers' pricing was only reviewed once non-price criteria scoring was completed.

Evaluation criteria and weightings

Each supplier had to meet the all of the following pre-conditions before its bid was considered for evaluation on its merits.

Preconditions

1.	Confirm that you have downloaded, read, and understood the Defence Industry Security Guide.
2.	Confirm that you have downloaded, read and understood the Managing Security document.
3.	Confirm that you have read the RFP terms and conditions document.
4.	Confirm that you have read the NZDF Conditions of Offer.

Having met all of the preconditions, qualifying bids were evaluated on their merits using the following evaluation criteria and weightings.

Evaluation criteria

Criterion	Weighting
1. Asset Transfers	35%
<p>a. NZDF requires buyers to transfer the assets acquired out of New Zealand at their own cost.</p> <p>Please describe your experience in at least one similar asset transfer process, preferably two or three. We expect each description to include challenges encountered and how you managed those.</p>	
<p>b. Please describe your previous experience in dealing with the US Department of State for international asset transfers.</p>	
<p>c. Please provide your high-level plan for the transfer of the assets you wish to acquire out of New Zealand. Please include</p> <ul style="list-style-type: none"> (i) an indicative time line (ii) identified risks and your proposed risk management plan (iii) any expectations you have about what assistance NZDF will provide 	
2. Market Presence	25%
<p>a. Please demonstrate why NZDF should consider you to be trustworthy and credible.</p> <p>This may include information about your overall business operation, size and/or market presence.</p>	
3. Future Use	20%
<p>a. Please describe the intended future use of the assets you are bidding for.</p>	
Total weightings	80%

In evaluating suppliers' bids against the non-price criteria, the panel used the following rating scale.

Tender Evaluation Scoring Scale		
Rating	Description	Score
Excellent	<p>Exceeds the required standard and more than fulfils the requirement at the highest possible level.</p> <p>Represents Industry Best Practice</p> <p>Response addresses the criteria with precision and relevance and includes continued improvement through innovation or added value.</p> <p>Response complies, is convincing and highly credible.</p>	5
Good	<p>Meets the required standard.</p> <p>Response is comprehensive, detailed and demonstrates good relevance to the criteria.</p> <p>Response complies, is convincing and credible.</p>	4
Acceptable	<p>Meets the standard in most aspects but is substandard in some areas.</p> <p>Response has an acceptable level of detail, accuracy and relevance. It is generally compliant however have some risks, weaknesses or omissions, which are acceptable as offered.</p> <p>Response complies, is convincing to some degree and demonstrates some credibility.</p>	3
Limited	<p>Fails the standard in a number of aspects but meets others.</p> <p>Response lacks detail and relevance, including a number of minor omissions to address the criteria. There are some risks, weaknesses or omissions, which are possible to correct/overcome and make acceptable</p>	2

Tender Evaluation Scoring Scale		
Rating	Description	Score
Inadequate	<p>Response is partially compliant, lacks credibility and is unconvincing.</p> <p>Significantly fails to meet the standard.</p> <p>Response has inadequate information with significant omissions and weaknesses to demonstrate the respondent's ability to deliver or understand the tender requirements.</p> <p>Respondent's weaknesses and omissions would be difficult to correct or overcome to make the response acceptable.</p> <p>Response is barely compliant, totally unconvincing and lacks any credibility.</p>	1
Not Eligible for consideration	<p>Completely fails to meet the standard.</p> <p>Response has failed to address the criteria or did not provide an answer at all.</p> <p>Note: A submission scoring 0 on any criteria is not eligible for further consideration in the process.</p>	0

Due diligence (phase one)

The following verification matrix was used as part of the evaluation and initial due diligence process. The table shows how elements of the criteria were verified by the panel.

Verification table

Evaluation & due diligence options	Criteria		
	Fit for purpose	Ability to deliver	Value for money
Written offer / tender documents	✓	✓	✓
Buyer clarification of offer (Aventure only)	✓	✓	✓

Evaluation

Suppliers that submitted a bid for this contract before the RFP closed on 31 May 2024

Name of supplier		Met mandatory conditions
1.	s. 9(2)(ba)(i)	Yes
2.		Yes
3.	Coulson Aviation	Yes
4.	s. 9(2)(ba)(i)	Yes
5.		Yes
6.		Yes

The following scores were agreed by the evaluation panel at a moderation meeting held on 18 June 2024.

Name of supplier	Asset Transfers (out of 35%)	Market Presence (out of 25%)	Future Use (out of 20%)	Total Non-Price (out of 80%)	Non-Price Ranking
1. s. 9(2)(ba)(i)	21	20	12	53	3
2. s. 9(2)(ba)(i)	21	20	16	57	2
3. Coulson Aviation	28	25	20	73	1
4. s. 9(2)(ba)(i)	21	15	12	48	5
5. s. 9(2)(ba)(i)	21	20	8	49	4
6. s. 9(2)(ba)(i)	7	5	4	16	6

Buyer price offers were collated by the Procurement Lead and presented to the evaluation panel after the non-price scores were moderated.

Name of supplier	Price Offer (total package USD)	Price score (out of 20%)	Total Score (out of 100%)	Total Ranking
1. s. 9(2)(ba)(i)		20	73	3
2. s. 9(2)(ba)(i)		20	77	2
3. Coulson Aviation	5M	13	86	1
4. s. 9(2)(ba)(i)		13	61	5
5. s. 9(2)(ba)(i)		13	62	4
6. s. 9(2)(ba)(i)		4	20	6

s.9(2)(ba)(i)

Summary of strengths and weaknesses¹

Name of supplier	Strengths	Weaknesses
1. s. 9(2)(ba)(i)	s. 9(2)(ba)(i), s. 9(2)(g)(i)	

¹ Full evaluation and moderation notes are recorded and saved in DDMS

		s. 9(2)(ba)(i), s. 9(2)(g)(i)	
2.	s. 9(2)(ba)(i)		
3.	Coulson Aviation	<p>Future use for global fire-fighting, to join their current fleet (which they have demonstrated experience in doing, including USDoS approval), with an initial discount in usage cost offered – good for NZDF reputation and better optics for re-use vs scrapping</p> <p>Only non-military operator of C-130H in the world, global presence and expertise, range of government customers; significant market share for aerial fire fighting</p> <p>Detailed timeline, with extensive risk assessment and mitigations</p> <p>Fly out reduces residual disposal costs on NZDF.</p>	<p>Proposed use is subject to OEM recognition of NZDF life extension methodology - alternative will be breakdown for parts, but at a significantly lower price offer</p> <p>Tight timeframe for first flight out (Jan-25) – will require Airbus and NZDF support, as well as borrowing controlled technology currently in the aircraft</p> <p>Relies on sufficient spare parts for all four aircraft to transfer by flying out</p>
4.	s. 9(2)(ba)(i)	s. 9(2)(ba)(i), s. 9(2)(g)(i)	

5.	s. 9(2)(ba)(i)	s. 9(2)(ba)(i), s. 9(2)(g)(i)
6.	s. 9(2)(ba)(i)	

The evaluation panel reconvened after the s.9(2)(ba)(i) pricing clarification responses were received. Discussion was held about public value aspects of the offers.

The ranking of offers from the original moderation meeting was confirmed, along with the recommendation that if Coulson's proposal to fly out the aircraft for re-use by conversion to fire bombers cannot be negotiated successfully then the aircraft should be offered to the second ranked buyer s. 9(2)(ba)(i) for parts breakdown.

Coulson's high non-price scores related to their fly-out proposal; s. 9(2)(ba)(i)

s.9(2)(ba)(i)

The panel agreed that Coulson Aviation are the preferred buyer; their offer best demonstrated

- (d) their credibility as an established and experience operator of C-130H aircraft for their intended future use for international fire-fighting
- (e) their experience in dealing with USDoS approval processes
- (f) their plan for transferring the aircraft out of New Zealand
- (g) positive reputational benefits for NZDF

Proposed additional due diligence (phase two) – preferred supplier only

Evaluation & due diligence options	Criteria		
	Fit for purpose	Ability to deliver	Value for money
Site visit	✓	✓	✓
Documentation verification		✓	

The physical site visit to their facilities will ascertain both their engineering and operational competency to assure the NZDF they are capable of operating the aircraft in the future. To demonstrate appropriate audit and assurance – Chris Calvert (for Technical), Morgan Proctor (as Business Owner) and s. 9(2)(g)(i) (for Legal) intend to conduct the due diligence as part of another visit s. 6(a). This visit will be funded outside COMLOG normal budgets by FinCon-approved Suspense Accounting Rules where costs are held in a special account to tie in with revenue (see Disposal Revenue below).

Negotiation recommendations

The panel recommended addressing various points in the negotiations. These recommendations will be included in the negotiation plan to be developed.

- (a) Clarification of aircrew for transfer flights
- (b) Confirmation of engagement with Airbus
- (c) Clarification of expectations of NZDF support, including locations
- (d) Confirmation of items to be borrowed from NZDF to enable the transfer flights, how and when they will be returned
- (e) Confirmation of spare parts available to ensure aircraft are safe to fly
- (f) Confirmation of timeframe for transfer flights

Disposal Revenue

DFI 9.1 Suspense Accounting Rules are in operation for the C130H disposal activity (per CMG/CGB endorsed disposal strategy). These rules recognise that there are costs associated with the disposal activity which may be incurred over multiple financial years. The gain or loss on sale is applied to the balance sheet when the disposal activity is complete and the project is closed and the costs of disposal are factored.

s.9(2)(g)(i)

Panel recommendations

The panel recommends that

1. NZDF enter into negotiations with the Coulson Aviation, the recommended buyer, with a view to contract, while conducting additional due diligence (phase two) noted above.
2. In the event that NZDF is unsuccessful in negotiating a contract with the recommended buyer for flying the aircraft out for re-use, NZDF enter into negotiations with s.9(2)(ba)(i) the second ranked supplier and the best price for sale of the aircraft for breakdown.



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NTM 2023-314

11 January 2024

Minister of Defence

C-130H HERCULES AIRCRAFT WITHDRAWAL FROM SERVICE

Purpose

1. The purpose of this Note is to advise you of the date planned for ceasing operations with the legacy C-130H Hercules aircraft including the intended process for their disposal, and to seek approval to transfer one complete aircraft to the Air Force Museum to be made available for public display.

New C-130J Aircraft

2. The five new C-130J Hercules aircraft will be delivered to New Zealand in 2024 and by the end of 2024 the initial introduction into service activities will be complete. This will enable their use for core air transport tasking, including the ability to support Humanitarian Assistance and Disaster Relief and Aeromedical Evacuation.

3. s. 6(a)

C-130H Withdrawal from Service

4. The introduction of the C-130J is streamlined to allow for continuity of core air transport tasks throughout the transition period in 2024-2025. s. 6(a)

To that end, it is intended to cease all operations with the legacy C-130H fleet by 31 January 2025 in order to enable focus and prioritisation on C-130J operations.

C-130H Disposal

5. The first C-130H aircraft was withdrawn from service in February 2023, and the second ceased operations in November 2023.

6. Due to the age and condition of the C-130H aircraft (after 60 years of service), and the requirement to utilise parts from the first two retired aircraft to sustain the remaining three aircraft (until they cease operations), disposal of the fleet as a 'going concern' is not recommended. This approach was validated by an independent review undertaken by PricewaterhouseCoopers in November 2019 for the P-3K2 Orion fleet and holds true for the C-130H fleet.

7. As a result, the preferred method of disposal will be to put the aircraft and surplus spares out for tender on an 'as is where is' basis. There are still a number of C-130 Hercules operators globally, and our surplus airframes and parts may be of value to them. Any potential customers will have to demonstrate their ability to comply with all relevant national and international regulations relating to surplus military equipment and controlled items.

8. At this time, it is not possible to establish a potential sale price for the C-130H fleet. The tender process will establish this value. The New Zealand Defence Force will also determine any other disposal actions that may be required for parts and specialist tools that are not eligible for sale due to security or legal considerations. Any equipment and tooling that is compatible with the new C-130J aircraft will be retained for continued use.

9. In view of the long service and immense contribution to New Zealand by the C-130H Hercules aircraft, it is recommended that one aircraft be retained by the Royal New Zealand Air Force Museum Trust, to be placed on permanent public display at the Air Force Museum at Wigram. A retired P-3K2 Orion aircraft was recently sent to the Air Force Museum following a similarly lengthy period of service to New Zealand.

Next Steps

10. The New Zealand Defence Force will put the C-130H aircraft and surplus spares out for tender in the coming months, and you will be kept informed as the disposal proceeds.

Recommendations

11. It is recommended that the Minister:

- a. **Note** that C-130J Hercules aircraft will be available for core air transport tasking by the end of 2024.

NOTED

- b. **Note** that it is intended to cease operations with the legacy C-130H fleet by 31 January 2025, after 60 years of service.

NOTED

- c. **Note** that the New Zealand Defence Force will put the C-130H aircraft and surplus spares out for tender on an 'as is where is' basis, for when the fleet is retired.

NOTED

- d. **Approve** the transfer (once withdrawn from service) of one complete C-130H aircraft to the Air Force Museum to be made available for public display.

APPROVED



KR SHORT
Air Marshal
Chief of Defence Force



Hon Judith Collins
Minister of Defence



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NEW ZEALAND

NTM 2025-074

April 2025

Minister of Defence

SALE OF SURPLUS C-130H AIRCRAFT TO COULSON AVIATION (USA)

Purpose

1. To advise the New Zealand Defence Force's intention to sell four surplus C-130H Hercules aircraft to Coulson Aviation (USA) Inc for US\$5,108,200 (NZ\$8,961,754 at 0.57 Fx).

C-130H Fleet

2. In July 2019, the Government announced that the C-130H fleet would be replaced by five C-130J-30 aircraft by 2025. With the arrival of C-130J-30 aircraft, the entire C-130H fleet has been withdrawn from service and removed from the military register. Authority to dispose of the C-130H(NZ) fleet was provided by the Chief of Defence Force and Deputy Secretary Defence at a Capability Governance Board held on 2 March 2022.

3. One aircraft (NZ7001) has been delivered to the Air Force Museum at Christchurch.

4. Through international commercial tender, for sale on an *as is where is* basis, Coulson Aviation (USA) Inc were identified as the preferred respondent for the four surplus aircraft (and related spares) and a contract for sale has been signed. It is now an unconditional agreement, having been subject only to United States (US) Department of State consent to the transfer of the C-130H fleet which was a requirement due to the fleet being subject to United States International Traffic in Arms Regulation requirements. The US Department of State approval has been received for this transfer to occur.

5. CO (19) 6 provides Chief Executives with authority to dispose of assets with a carrying value of less than \$15 million. The value of the C-130H Fleet is below this threshold and the contract was signed by the Vice Chief of Defence Force on 11 March 2025, having been delegated to do so by the Chief of Defence Force. s.9(2)(g)(i)

6. Following preparation work over the next four months by Airbus(NZ), Coulson's intention is for all aircraft to be flown to the US for rework and conversion to fire-fighting tankers.

7. The parties to the contract intend to jointly announce the sale following your awareness of this Note.

Recommendations

8. It is recommended that you:
 - a. **Note** that the surplus C-130H aircraft have already been withdrawn from service with four aircraft in storage at RNZAF Base Woodbourne and one aircraft delivered to the Air Force Museum at Christchurch.

NOTED

- b. **Note** that Defence has negotiated and signed an agreement with Coulson Aviation (USA) that divests the New Zealand Defence Force of the surplus equipment at a fair market price of US\$5,108,200 (NZ\$8,961,754 at 0.57 Fx) following an international tender process.

NOTED


- c. s.9(2)(g)(i)

NOTED

- d. **Note** that the New Zealand Defence Force and Coulson Aviation (USA) Inc intend to jointly announce the sale within the next week.

NOTED


T DAVIES
Air Marshal
Chief of Defence Force


Hon Judith Collins KC MP
Minister of Defence