



File Code: 6320
Date: September 23, 2008

Mr. Steve Metheny, Exec. Vice President
Carson Helicopters, Inc.
828 Brookside Blvd.
Grants Pass, OR 97526

Dear Mr. Metheny:

RE: Follow-up to Notice of Non-Compliance dated August 21, 2008
and the weighing of N61NH John Day and N7011M Ogden.

Contract No. AG-024B-C-08-9354—National Exclusive Use Initial Attack Helicopter Services, Item No. 1 John Day N61NH, Item No.3 Missoula N103WF, Item No. 4 Twin Bridges (Dillon) N725JH, Item No. 5 Ogden N7011M and Item No.9 Santa Ynez N4503E.

Contract No. AG-024B-C-08-9340 National Ex. Use Large Fire Support, Item No.11 Hemet N905AL, Item No.12 Casitas N116AZ, Item No.13 Van Nuys N612RM, Item No.16 San Bernardino #2 N410GH, Item No.23 Mariposa N3173U.

As per our conference call on September 22, 2008 we discussed the completion of the items identified in the notice of non-compliance dated August 21, 2008. The only item that has not been completed as per our discussion as of September 22, 2008 was the floor cargo door latch on N7011M, the latch is expected to be installed today (9/23). The documentation for all of the items completed as per the Non-compliance notice is being submitted hard copy today (9/23 or 9/24) and will be reviewed by the Agency. If we have questions or additional concerns we will let you know in writing.

We also discussed the weighting of two helicopters. The helicopters we will be weighting are N61NH John Day and N7011M Ogden. We plan on having the aircraft weighed on September 26, 2008 in Redmond, Oregon. The helicopters will need to be prepped on Thursday so that the weighing can occur on Friday. We will be releasing the helicopters on Thursday afternoon (9/25) and will be positioned in Redmond. The vendor will be responsible for the prepping including de-fueling and fixed tank removal or as agreed to with John Nelson. It is anticipated the work will be performed on the ramp in Redmond, Oregon; hanger facilities will be available if needed.

If you have any questions, please call me at (208) 387-5347.

Sincerely,



CONTRACTING OFFICER

cc: Vince Welbaum-NIFC
John Nelson-NIFC
Charles Taylor-NIFC





File Code: 6320

Date: September 29, 2008

Mr. Steve Metheny, Exec. Vice President
Carson Helicopters, Inc.
828 Brookside Blvd.
Grants Pass, OR 97526

Dear Mr. Metheny:

RE: **Contract No. AG-024B-C-08-9354**—National Exclusive Use Initial Attack Helicopter Services, Item No. 1 John Day N61NH, Item No.3 Missoula N103WF, Item No. 4 Twin Bridges (Dillon) N725JH, Item No. 5 Ogden N7011M and Item No.9 Santa Ynez N4503E.

CURE NOTICE

On September 26, 2008 we had two helicopters weighed for quality assurance; helicopters N61NH and N7011M. The aircraft reweighing validated significant weight discrepancies from the weights initially submitted in your initial proposal. The results of the reweighing are as follows:

Aircraft	Bid Equipped Weight From Contract Award	Mutually Agreed to Additions to Bid Weight	Weight as Weighed in Redmond (9/26/2008)	Other Additions to "As Weighed" Weight	Subtractions to "As Weighed" Weight	Difference
N61NH	11353	125	11787	68	0	377
<p>Note: Equipment mutually agreed to for this aircraft includes the aft cabin soundproofing (120 lbs) and aft cabin radio (5 lbs). Other additions are the weight of 4 seats (68 lbs) to bring the aircraft up to a 16 passenger configuration. The cargo box was removed before the aircraft was weighed.</p>						
N7011M	11347	5	11843	30	95	426
<p>Note: Equipment mutually agreed to for this aircraft includes the aft cabin radio (5 lbs). The aft cabin soundproofing (120 lbs) is not annotated as being installed on the current Chart C. Other additions are the weight of 2 seats (30 lbs) to bring the aircraft up to a 16 passenger configuration. The cargo box was installed when the aircraft was weighed and is now subtracted.</p>						

The contract states the helicopters equipped weight shall remain at or below contracted equipped weight as bid. Please reference C-5 A.16 Aircraft Maintenance which states:

Helicopter(s) under initially awarded contract(s) under this solicitation shall remain at or below contracted helicopter equipped weight as bid. Helicopters will



be allowed 1% above the awarded contracted helicopter equipped weight during the contract option period(s). The aircraft's equipped weight is determined using weight and balance data which was determined by actual weighing of the aircraft within 24 months preceding the starting date of the MAP and 36 months thereafter or following any major repair or major alteration or change to the equipment list which significantly affects the center of gravity of the aircraft. If the government requires additional equipment after contract award no penalty will be assessed.

The discrepancies in the weights of the two recently weighed helicopters are significant enough to question the actual bid weights of the three remaining helicopters awarded under this contract. The remaining three helicopters will also be reweighed immediately and will be unavailable after they are weighed. The three helicopters (N103WF-Mariposa, N725HJ- Twin bridges/Dillon, and N4503E Santa Yanez) will be flown direct to the Forest Service facility in Redmond, OR. Do not have equipment removed or accomplish additional maintenance actions that will change the weight of the aircraft. Once at Redmond please have the necessary personnel and equipment to remove the water tank and snorkel, defuel the aircraft and configure it in accordance with the contract.

The costs for all reinspection will be made in accordance with C-23 B. Inspections During Use states: Should the inspections/tests reveal deficiencies that require corrective action and subsequent re-inspection, the actual costs incurred by the Government may be charged to the Contractor.

This cure notice is being issued as an opportunity to provide an explanation of why the helicopters are not meeting the contract equipped weights as per C-5 Aircraft Maintenance. Carson Helicopters has 10 calendar days from receipt of this notice to provide an explanation. We will review your documentation and the results of the weighing and make the decision to continue or terminate for cause. The two helicopters N61NH and N7011M and the three remaining helicopter after weighing will be unavailable until we have received and reviewed the documentation.

If you have any questions, please call me at (208) 387-5347.

Sincerely,


FRANK GOMEZ
CONTRACTING OFFICER

cc: Vince Welbaum-NIFC
John Nelson-NIFC
Charles Taylor-NIFC



File Code: 6320

Date: October 01, 2008

Mr. Steve Metheny, Exec. Vice President
Carson Helicopters, Inc.
828 Brookside Blvd.
Grants Pass, OR 97526

Dear Mr. Metheny:

RE: Contract No. AG-024B-C-08-9340—National Exclusive Use Large Fire Support Helicopter Services, Item No. 11 Hemet N61NH, Item No.12 Casitas N116AZ, Item No. 13 Van Nuys N612R, Item No. 16 San Bernardino N103WF.

CURE NOTICE

On September 30 we had helicopter N3173U reweighed and on October 1, 2008 we had helicopter N905AL weighed for quality assurance. The aircraft reweighing of N3173U indicated a -15 lb. weight difference then proposed and N905AL validated significant weight discrepancies of 655 lbs heavier. We have a major concern with the companies abilities to assure the aircraft weight is as stated in your proposal. The discrepancies positive or negative weight leads us to believe the Company does not know the actual weights of the aircraft. Our determination of weather to proceed with this contract or to terminate for cause may reflect our confidence in the company's abilities to assure quality assurance.

The results of the reweighing are as follows:

Aircraft	Bid Equipped Weight From Contract Award	Mutually Agreed to Additions to Bid Weight	Weight as Weighed in Redmond (9/26/2008)	Other Additions to "As Weighed" Weight	Subtractions to "As Weighed" Weight	Difference
N3173U	10837	0	10797	55	30	-15
Note: Other additions include the cargo sling. Subtractions include the engine inlet screens.						
N905AL	11283	0	11938			655
Note: Other additions include the cargo sling. Subtractions include the engine inlet screens.						

The contract states the helicopters equipped weight shall remain at or below contracted equipped weight as bid. Please reference C-5 A.16 Aircraft Maintenance which states:



Helicopter(s) under initially awarded contract(s) under this solicitation shall remain at or below contracted helicopter equipped weight as bid. Helicopters will be allowed 1% above the awarded contracted helicopter equipped weight during the contract option period(s). The aircraft's equipped weight is determined using weight and balance data which was determined by actual weighing of the aircraft within 24 months preceding the starting date of the MAP and 36 months thereafter or following any major repair or major alteration or change to the equipment list which significantly affects the center of gravity of the aircraft. If the government requires additional equipment after contract award no penalty will be assessed.

The discrepancies in the weights of the two recently weighed helicopters are significant enough to question the actual bid weights of the three remaining helicopters awarded under this contract. The remaining three helicopters will also be reweighed immediately and will be unavailable after they are weighed. The three helicopters (N116AZ-Casitas, N612RM-Van Nuys and N410GH San Bernardino) will be flown direct to the Forest Service facility in Redmond, OR. Do not have equipment removed or accomplish additional maintenance actions that will change the weight of the aircraft. Once at Redmond please have the necessary personnel and equipment to remove the water tank and snorkel, defuel the aircraft and configure it in accordance with the contract.

The costs for all reinspection will be made in accordance with C-23 B. Inspections During Use states: Should the inspections/tests reveal deficiencies that require corrective action and subsequent re-inspection, the actual costs incurred by the Government may be charged to the Contractor.

This cure notice is being issued as an opportunity to provide an explanation of why the helicopters are not meeting the contract equipped weights as per C-5 Aircraft Maintenance. Carson Helicopters has 10 calendar days from receipt of this notice to provide an explanation. We will review your documentation and the results of the weighing and make the decision to continue or terminate for cause. The two helicopters N3273U and N905AL and the three remaining helicopters after weighing will be unavailable until we have received and reviewed the documentation. We are very concerned with the companies abilities to assure the aircraft are within the weights submitted from your initial proposal.

If you have any questions, please call me at (208) 387-5347.

Sincerely, /


FRANK DOMEZ
CONTRACTING OFFICER

cc: Pat Norbury



File Code: 6320

Date: November 7, 2008

Mr. Steve Metheny, Exec. Vice President
Carson Helicopters, Inc.
828 Brookside Blvd.
Grants Pass, OR 97526

Dear Mr. Metheny:

RE: Cure Notice for additional concerns and Agency response to the information submitted by Carson Helicopters from the Cure Notice dated September 29, 2008. Due date 10 calendar days from receipt of this letter.

Contract No. AG-024B-C-08-9354—National Exclusive Use Initial Attack (IA) Helicopter Services, Item No. 1 John Day N61NH, Item No.3 Missoula N103WF, Item No. 4 Twin Bridges (Dillon) N725JH, Item No. 5 Ogden N7011M and Item No.9 Santa Ynez N4503E.

Contract No. ~~AG-024B-C-08-9340~~—National Exclusive Use Large Fire Support (LFS) Helicopter Services, Item No. 11 Hemet 905ALNH, Item No.12 Casitas N116AZ, Item No. 13 Van Nuys N612R, Item No. 16 San Bernardino N410GH, Item No. 23 Mariposa N3173U.

On October 20, 2008 we received your response from our Cure Notice dated September 29, 2008. The information we received and reviewed is still unclear. We requested in the Cure Notice that Carson Helicopters address the differences between contract bid weights and weights obtained when weighed by the Agency. The documentation provided should have clearly identified each helicopter's weight and documented the appropriate entries logged for equipment installed or removed since the date of the cure notice. The intent of the Cure Notice was to provide the company an opportunity to clarify and to fully address our concerns. It is your opportunity to submit the information as requested in a clear and concise manner. We continue to have the same questions on the weights of the helicopters as in the initial cure notice.

In addition, during our review of the information submitted we identified other concerns that affected operational and contractual matters. Before we proceed further with our review process you will need to completely address the additional concerns including the weight discrepancies.

The issues we have identified puts us on notice that Carson Helicopters management oversight is currently not able to provide the overall quality control that is needed to provide helicopter services required from this contract. The basis of any decision the Agency makes will be dependent on the information we receive from the company. What we clearly need is accurate information in



respect to the weights of the helicopters and for the company to address the additional concerns. **Consider this as the formal Cure Notice for the additional concerns we have identified. You will have 10 calendar days from receipt of this notice to provide us the information requested for all concerns.**

We will not be discussing any issues or matters in respect to N612AZ until the investigation has been completed.

Weight Discrepancies:

The information we reviewed in respect with respect to our initial concerns continues to be incomplete. The supporting log entries for the helicopters are not consistently documented for equipment installed or removed. What we were expecting was not only the company's plan to ensure correct helicopter weights are recorded appropriately but also that the information submitted for the helicopter weights would be accurately documented.

As per your response the basis of the incorrect aircraft weights as initially proposed under contract was due to defective scales from Jackson Air Weight Service. If the scales were in fact incorrect it does not relieve the company of its responsibility to assure all facets of the operation are in compliance with the contract specifications. When we enter into a contractual agreement we expect the company to understand the contractual and operational requirements.

Agency Weighing Process

The Forest Service hired Coulson Aircrane to weigh the first two Carson helicopters (N61NH and N7011M). Coulson, an internationally recognized S61 operator accomplished the weighing of both these helicopters to determine their total equipped weight (defueled with firefighting tank and snorkel removed).

On September 26, 2008 both helicopters were weighed on three separate occasions, each using a separate set of scales. First, on the Coulson Aircrane scales then Forest Service scales, both inside a closed hangar at the Forest Service facility in Redmond, OR. Then both of these helicopters were flown to the Carson facility in Grants Pass, OR and were weighed on a set of Carson Helicopter Jack pad (load cell) scales. There was a one pound difference in the scale readings at the Forest Service facility between the Forest Service and the Coulson scales. The scales at the Carson facility showed that the helicopters weighed more (56 pounds for N61NH and 3 pounds for N7011M) than what the Coulson and Forest Service scales showed. The weighing of these two helicopters at the Carson facility was witnessed by the Forest Service Region 6 Aviation Maintenance Program Manager, David Heydt.

All subsequent Carson helicopters were weighed in the same configuration as the first two helicopters at the Forest Service facility (all hanger doors closed) using the same Forest Service scales. The Forest Service scales were brand new and calibrated prior to weighing the Carson helicopters. After weighing all of Carson's helicopters the Forest Service sent their scales back to Planeweighs USA, of Fort Worth, TX to verify their condition and calibration. The Forest Service has received a report that verifies that the scales remained

within calibration after weighing all of Carson helicopters. There is no question as to their accuracy. Weighing of all aircraft was for weight of the aircraft only and not for determining Center of Gravity. The weighing of Carson's aircraft by the Agency discovered that Carson Helicopters did not have correct weights annotated in the aircraft records and that the contract award was based on these erroneous weights. The helicopters were also operating after award using the incorrect weights for performance purposes while on contract. The Agency established and Carson Helicopters acknowledged, in the letter of October 17, that the majority of their aircraft are over their bid weights.

Mr. David Nadler's letter dated October 17, 2008 states that helicopters 116AZ (LFS), 3173U (LFS), and 725JH (IA) are at or below Bid weight and 612RM (LFS) and N7011M (IA) are within 1% of bid weight. The data binder provided with the October 17th letter as compared with the data package submitted by Carson for the original contract solicitation indicates that these new weights were obtained by removing additional items from the aircraft after the cure notice was issued. The solicitation in clause B-3 states "Helicopters under initially awarded contracts under this solicitation shall remain at or below contracted helicopter equipped weight as bid. Helicopters will be allowed 1% above the awarded contracted helicopter equipped weight during the contract option periods". The clause states the initial helicopter weights need to be in compliance as awarded for the initial year to meet the intent of the clause.

The October 17th data binder indicates numerous items were removed from, N725JH and N7011M that were shown as installed on the Chart A submitted with the bid package. Here are two examples:

N7011M (IA) – No longer shown installed are the Heater system, First Aid Kit, King Transponder, Hartman Relay, Amplifier and Mount, Control Gyro, Supervisory panel, Heater control unit. (115 lbs)

N725JH (IA) - No longer shown installed are the Windshield washer bag, Heater system, W/S Deice transformer, Course In. Compass, Amplifier and mount, Converter, Amp Gyro, Heater control unit, Supervisory panel, Aux Battery (186 lbs).

In the October 17th letter it is stated that Carson now removes individual equipment and records an accurate weight for each item. This is not reflected in the data submitted with that letter. For example, the Chart A submitted for N7011M has no weights annotated for seats that are shown to be installed. This is in direct conflict with Carson's new procedure. Carson has not shown that this new procedure has been put into practice.

The data submitted by Carson lacked the detail that communicates how the aircraft got from the Bid weights submitted to the current weights submitted in the October 17th letter. Carson Helicopters must show what has been removed, if anything and supply all maintenance log entries that would document those removals. All Chart A's should also reflect Carson's new process where each item is weighed separately and that more accurate weight is documented. Attached at the end of this letter is a chart that would supply a

portion of that information In order to facilitate the review process of any subsequent submittals of aircraft weight information.

Although the overages may not be a safety concern to the FAA, they are not responsible for the safety of Forest Service operations or compliance with the contracts that Carson Helicopters agreed to. While on contract with the US Forest Service the requirements as specified in Carson's contracts are the minimum applicable standards under that contract. Carson Helicopters had represented that the helicopters met the contract requirements when the proposal was submitted.

Irrespective of methods of weighing the fact remains that Carson Helicopters has displayed an inability to cognitively manage the known weights of their helicopters in accordance with the contract requirements and has operated their helicopters while on contract based on this erroneous data. In addition the Carson "Roll On" scales may have had an error of 400 lbs, but the overages are not consistent with this figure. The Forest Service believes there is a systemic breakdown in Carson Helicopter's ability to manage their aircraft's weight and configurations.

What we need are the correct weights for all helicopters. Chart A needs to properly documented and the final weight on chart C should equal the equipped weight identified on the load calculation.

The responsibility of submitting accurate data in your proposal is ultimately the responsibility of the company. When we evaluate a helicopters performance in our best value analysis we rely on the company's accuracy of helicopter performance information.

Operational Concerns

Because of information you submitted in response to the cure notice operational concerns have been identified. The performance charts that were submitted with your response to the cure notice are different than what was provided with your initial proposal.

Your initial proposal identified Rotor Flight Manual Supplement (RFMS) 5; S61L,N,Power Available; Take Off Power (5 MIN TWIN, 30 MIN OEI); CT58-140-1, -2 ENGINE(S) 103% NR; SPECIFICATION POWER; dated February 7, 2008 as the chart that was to be used to calculate engine torque. At 7000'Pressure Altitude (PA)/20°C the engine torque value was 91%. In addition, (RFMS) 6, dated May 18, 2007, was identified as the supplement to be used to convert engine torque to Shaft Horse Power (SHP) which equated to 1130 SHP/engine. This value was then used with the RFMS 6 Power Required to Hover Out of Ground Effect to obtain the computed gross weight that was used in block 7b of the load calculation. These performance charts were used for all but one of your helicopters submitted with your initial proposals. The HOGE performance value for all aircraft but one was 18,800 pounds. Performance values for N3173U were derived from Supplement 6 amended August 11, 2006.

In your response to the Cure Notice, RFMS 5 and RFMS 6 were submitted in their entirety. The RFMS 5 Power Available Chart submitted with your response is dated October 6, 2003 and shows an engine torque value of 81%Q at 103%NR at 7000'PA/20°C. This torque value translated to 1020 SHP/engine. This value was then used with the RFMS 5 Power Required to Hover Out of Ground Effect to obtain the computed gross weight that was used in block 7b of the load calculation which was 17,950 pounds. RFMS 5 was used to support the computed gross weight for N4503E and N7011M (short).

The torque value from the RFMS 5 Power Available Chart dated October 6, 2003 (81%Q at 103%Q) is significantly less than what the initial RFMS 5 Power Available Chart dated February 7, 2008 shows (92%Q at 103%NR). Which Power Available chart is correct and why are they different?

At the request of the agency, Mr. Steve Metheny submitted, via letter dated April 22, 2008 a list of the aircraft and operators that were authorized to use Carson Composite Main Rotor Blade HOGE charts. N725JH, N4503E, N103WF, N7011M, and N61NH were listed (among others) as Carson aircraft approved to use RFMS 6 dated May 18, 2007. RFMS 6 is for an increase in Out of Ground Effect and In Ground Effect Hover Performance for the S-61L, S-61N, and S-61NM long or short body helicopter. The Power Available chart (Takeoff Power) shows that power available at 7000'PA/20°C equates to 1000 SHP/engine. The RFMS 6 Power Required to Hover Out of Ground Effect chart computes a gross weight of 17,300 pounds. If RFMS 6 is approved for the above listed helicopters, should not RFMS 6 have been used for HOGE computations for all helicopters?

The load calculations that were submitted in your response to the cure notice were incomplete and/or inaccurate. A download for the S-61 has been established as 550 pounds and is required for all non-jettisonable loads as stated in Exhibit 13 for contract number AG-024B-C-08-9354. This download applies to N7011M, N4503E, N103WF, N61NH, and N725JH. Corrected load calculations need to be submitted showing the weight reduction and the corrected computed gross weight from RFMS 6. The download is not applicable to the 5 helicopters awarded under contract number AG-024B-C-08-9340.

Contractual Concerns

In our evaluation process we consider the helicopters technical capability as the most important evaluation factor and it is important the helicopter performance information is accurate. It is apparent that the information we evaluated was not complete and therefore the accuracy is in question, i.e. helicopter weights, performance charts, and load calculations. It is important the information we receive in response to this notice is complete and accurate.

If the data that was evaluated in our initial proposal review was not accurate it would have compromised the award recommendations that were made.

The performance specifications established for this contract were as follows for the IA:

AG-024B-C-08-9354—National Exclusive Use Initial Attack (IA)

Hovering out of ground effect (HOGE)

At 7,000 feet pressure altitude and 20 °C with non-jettisonable jettisonable

Payload of 3000 pounds, as determined by Exhibit 13, Standard Interagency Load Calculation form, using a standard pilot weight of 200 pounds and fuel for one hour and 30 minutes (01+30) as determined by Exhibit 12, Hourly Flight Rates, Fuel consumption, and Weight Reduction Chart.

The five helicopters offered and awarded to you under each contract were for the following items and respective initial payloads. This information is used in our best value analysis: Please provide the correct payloads as requested.

Contract Item	Host Base	A/C Number	Initial Payload	Revised Payload (lbs) With Wt. Reduction
Item 1	John Day	N61NH	4712	
Item 3	Missoula	N103WF	4724	IDENTIFY CORRECT
Item 4	Twin Bridges	N725JH	4042	PAYLOADS
Item 5	Ogden	N7011M	4718	
Item 9	Santa Ynez	N4503E	4709	

AG-024B-C-08-9340—National Exclusive Use Large Fire Support (LFS)

Hovering out of ground effect (HOGE)

At 7,000 feet pressure altitude and 20 °C with non-jettisonable jettisonable

Payload of 3000 pounds, as determined by Exhibit 13, Standard Interagency Load Calculation form, using a standard pilot weight of 200 pounds and fuel for one hour and 30 minutes (01+30) as determined by Exhibit 12, Hourly Flight Rates, Fuel consumption, and Weight Reduction Chart.

Contract Item	Host Base	A/C Number	Initial Payload	Revised Payload (lbs) With Wt. Reduction
Item 11	Hemet	N905AL	4346	
Item 12	Casitas	N116AZ	4606	IDENTIFY CORRECT
Item 13	Van Nuys	N612RM	4603	PAYLOADS
Item 16	San Bernardino	N410GH	4103	
Item 23	Mariposa	N3173U	4492	

Upon receipt and review of your response the Government will conduct an evaluation of the information and determine if it is sufficient to meet all contract requirements. If the information in response to this final notice is incomplete or inaccurate or we have determined to be insufficient we may proceed to terminate your contract for cause as per the Contract Terms and Conditions- FAR 52,212-4) (m) Termination for Cause. The termination clause is referenced on the SF 1449 Block 27a (Cover Sheet). If terminated for cause the Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions or fails to provide the Government upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

If you have any questions, please call me at (208) 387-5347.

Sincerely, /



FRANK GOMEZ
CONTRACTING OFFICER

cc: Vince Welbaum-NIFC
John Nelson-NIFC

**Attachment for Helicopter Weights for
AG-024B-C-08-9354—National Exclusive Use Initial Attack (IA)**

&

AG-024B-C-08-9340—National Exclusive Use Large Fire Support (LFS)

Aircraft	Bid Equipped Weight From Contract Award Without Tank and Snorkel	Weight removed from the Aircraft since the issuing of the Cure Notice	Current Chart C Weight less Tank and Snorkel	Amount of weight the aircraft is over or under the Bid Equipped Weight	Tank Weight	Snorkel Weight
N61NH	11353					
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.						
N7011M	11347					
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.						
N103WF	11341					
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.						

N725JH 12023
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N4503E 11356
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N3173U 10837
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N905AL 11283
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N612RM 11026
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N410GH 11526
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N116AZ 11023
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.



File Code: 6320

Date: November 7, 2008

Mr. Steve Metheny, Exec. Vice President
Carson Helicopters, Inc.
828 Brookside Blvd.
Grants Pass, OR 97526

Dear Mr. Metheny:

RE: Cure Notice for additional concerns and Agency response to the information submitted by Carson Helicopters from the Cure Notice dated September 29, 2008. Due date 10 calendar days from receipt of this letter.

Contract No. AG-024B-C-08-9354—National Exclusive Use Initial Attack (IA) Helicopter Services, Item No. 1 John Day N61NH, Item No.3 Missoula N103WF, Item No. 4 Twin Bridges (Dillon) N725JH, Item No. 5 Ogden N7011M and Item No.9 Santa Ynez N4503E.

Contract No. ~~AG-024B-C-08-9340~~—National Exclusive Use Large Fire Support (LFS) Helicopter Services, Item No. 11 Hemet 905ALNH, Item No.12 Casitas N116AZ, Item No. 13 Van Nuys N612R, Item No. 16 San Bernardino N410GH, Item No. 23 Mariposa N3173U.

On October 20, 2008 we received your response from our Cure Notice dated September 29, 2008. The information we received and reviewed is still unclear. We requested in the Cure Notice that Carson Helicopters address the differences between contract bid weights and weights obtained when weighed by the Agency. The documentation provided should have clearly identified each helicopter's weight and documented the appropriate entries logged for equipment installed or removed since the date of the cure notice. The intent of the Cure Notice was to provide the company an opportunity to clarify and to fully address our concerns. It is your opportunity to submit the information as requested in a clear and concise manner. We continue to have the same questions on the weights of the helicopters as in the initial cure notice.

In addition, during our review of the information submitted we identified other concerns that affected operational and contractual matters. Before we proceed further with our review process you will need to completely address the additional concerns including the weight discrepancies.

The issues we have identified puts us on notice that Carson Helicopters management oversight is currently not able to provide the overall quality control that is needed to provide helicopter services required from this contract. The basis of any decision the Agency makes will be dependent on the information we receive from the company. What we clearly need is accurate information in



N725JH 12023

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N4503E 11356

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N3173U 10837

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N905AL 11283

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N612RM 11026

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N410GH 11526

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

N116AZ 11023

Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.

respect to the weights of the helicopters and for the company to address the additional concerns. **Consider this as the formal Cure Notice for the additional concerns we have identified. You will have 10 calendar days from receipt of this notice to provide us the information requested for all concerns.**

We will not be discussing any issues or matters in respect to N612AZ until the investigation has been completed.

Weight Discrepancies:

The information we reviewed in respect with respect to our initial concerns continues to be incomplete. The supporting log entries for the helicopters are not consistently documented for equipment installed or removed. What we were expecting was not only the company's plan to ensure correct helicopter weights are recorded appropriately but also that the information submitted for the helicopter weights would be accurately documented.

As per your response the basis of the incorrect aircraft weights as initially proposed under contract was due to defective scales from Jackson Air Weight Service. If the scales were in fact incorrect it does not relieve the company of its responsibility to assure all facets of the operation are in compliance with the contract specifications. When we enter into a contractual agreement we expect the company to understand the contractual and operational requirements.

Agency Weighing Process

The Forest Service hired Coulson Aircrane to weigh the first two Carson helicopters (N61NH and N7011M). Coulson, an internationally recognized S61 operator accomplished the weighing of both these helicopters to determine their total equipped weight (defueled with firefighting tank and snorkel-removed).

On September 26, 2008 both helicopters were weighed on three separate occasions, each using a separate set of scales. First, on the Coulson Aircrane scales then Forest Service scales, both inside a closed hangar at the Forest Service facility in Redmond, OR. Then both of these helicopters were flown to the Carson facility in Grants Pass, OR and were weighed on a set of Carson Helicopter Jack pad (load cell) scales. There was a one pound difference in the scale readings at the Forest Service facility between the Forest Service and the Coulson scales. The scales at the Carson facility showed that the helicopters weighed more (56 pounds for N61NH and 3 pounds for N7011M) than what the Coulson and Forest Service scales showed. The weighing of these two helicopters at the Carson facility was witnessed by the Forest Service Region 6 Aviation Maintenance Program Manager, David Heydt.

All subsequent Carson helicopters were weighed in the same configuration as the first two helicopters at the Forest Service facility (all hanger doors closed) using the same Forest Service scales. The Forest Service scales were brand new and calibrated prior to weighing the Carson helicopters. After weighing all of Carson's helicopters the Forest Service sent their scales back to Planeweighs USA, of Fort Worth, TX to verify their condition and calibration. The Forest Service has received a report that verifies that the scales remained

within calibration after weighing all of Carson helicopters. There is no question as to their accuracy. Weighing of all aircraft was for weight of the aircraft only and not for determining Center of Gravity. The weighing of Carson's aircraft by the Agency discovered that Carson Helicopters did not have correct weights annotated in the aircraft records and that the contract award was based on these erroneous weights. The helicopters were also operating after award using the incorrect weights for performance purposes while on contract. The Agency established and Carson Helicopters acknowledged, in the letter of October 17, that the majority of their aircraft are over their bid weights.

Mr. David Nadler's letter dated October 17, 2008 states that helicopters 116AZ (LFS), 3173U (LFS), and 725JH (IA) are at or below Bid weight and 612RM (LFS) and N7011M (IA) are within 1% of bid weight. The data binder provided with the October 17th letter as compared with the data package submitted by Carson for the original contract solicitation indicates that these new weights were obtained by removing additional items from the aircraft after the cure notice was issued. The solicitation in clause B-3 states "Helicopters under initially awarded contracts under this solicitation shall remain at or below contracted helicopter equipped weight as bid. Helicopters will be allowed 1% above the awarded contracted helicopter equipped weight during the contract option periods". The clause states the initial helicopter weights need to be in compliance as awarded for the initial year to meet the intent of the clause.

The October 17th data binder indicates numerous items were removed from, N725JH and N7011M that were shown as installed on the Chart A submitted with the bid package. Here are two examples:

N7011M (IA) – No longer shown installed are the Heater system, First Aid Kit, King Transponder, Hartman Relay, Amplifier and Mount, Control Gyro, Supervisory panel, Heater control unit. (115 lbs)

N725JH (IA) - No longer shown installed are the Windshield washer bag, Heater system, W/S Deice transformer, Course In. Compass, Amplifier and mount, Converter, Amp Gyro, Heater control unit, Supervisory panel, Aux Battery (186 lbs).

In the October 17th letter it is stated that Carson now removes individual equipment and records an accurate weight for each item. This is not reflected in the data submitted with that letter. For example, the Chart A submitted for N7011M has no weights annotated for seats that are shown to be installed. This is in direct conflict with Carson's new procedure. Carson has not shown that this new procedure has been put into practice.

The data submitted by Carson lacked the detail that communicates how the aircraft got from the Bid weights submitted to the current weights submitted in the October 17th letter. Carson Helicopters must show what has been removed, if anything and supply all maintenance log entries that would document those removals. All Chart A's should also reflect Carson's new process where each item is weighed separately and that more accurate weight is documented. Attached at the end of this letter is a chart that would supply a

portion of that information In order to facilitate the review process of any subsequent submittals of aircraft weight information.

Although the overages may not be a safety concern to the FAA, they are not responsible for the safety of Forest Service operations or compliance with the contracts that Carson Helicopters agreed to. While on contract with the US Forest Service the requirements as specified in Carson's contracts are the minimum applicable standards under that contract. Carson Helicopters had represented that the helicopters met the contract requirements when the proposal was submitted.

Irrespective of methods of weighing the fact remains that Carson Helicopters has displayed an inability to cognitively manage the known weights of their helicopters in accordance with the contract requirements and has operated their helicopters while on contract based on this erroneous data. In addition the Carson "Roll On" scales may have had an error of 400 lbs, but the overages are not consistent with this figure. The Forest Service believes there is a systemic breakdown in Carson Helicopter's ability to manage their aircraft's weight and configurations.

What we need are the correct weights for all helicopters. Chart A needs to properly documented and the final weight on chart C should equal the equipped weight identified on the load calculation.

The responsibility of submitting accurate data in your proposal is ultimately the responsibility of the company. When we evaluate a helicopters performance in our best value analysis we rely on the company's accuracy of helicopter performance information.

Operational Concerns

Because of information you submitted in response to the cure notice operational concerns have been identified. The performance charts that were submitted with your response to the cure notice are different than what was provided with your initial proposal.

Your initial proposal identified Rotor Flight Manual Supplement (RFMS) 5; S61L,N,Power Available; Take Off Power (5 MIN TWIN, 30 MIN OEI); CT58-140-1, -2 ENGINE(S) 103% NR; SPECIFICATION POWER; dated February 7, 2008 as the chart that was to be used to calculate engine torque. At 7000'Pressure Altitude (PA)/20°C the engine torque value was 91%. In addition, (RFMS) 6, dated May 18, 2007, was identified as the supplement to be used to convert engine torque to Shaft Horse Power (SHP) which equated to 1130 SHP/engine. This value was then used with the RFMS 6 Power Required to Hover Out of Ground Effect to obtain the computed gross weight that was used in block 7b of the load calculation. These performance charts were used for all but one of your helicopters submitted with your initial proposals. The HOGE performance value for all aircraft but one was 18,800 pounds. Performance values for N3173U were derived from Supplement 6 amended August 11, 2006.

In your response to the Cure Notice, RFMS 5 and RFMS 6 were submitted in their entirety. The RFMS 5 Power Available Chart submitted with your response is dated October 6, 2003 and shows an engine torque value of 81%Q at 103%NR at 7000'PA/20°C. This torque value translated to 1020 SHP/engine. This value was then used with the RFMS 5 Power Required to Hover Out of Ground Effect to obtain the computed gross weight that was used in block 7b of the load calculation which was 17,950 pounds. RFMS 5 was used to support the computed gross weight for N4503E and N7011M (short).

The torque value from the RFMS 5 Power Available Chart dated October 6, 2003 (81%Q at 103%Q) is significantly less than what the initial RFMS 5 Power Available Chart dated February 7, 2008 shows (92%Q at 103%NR). Which Power Available chart is correct and why are they different?

At the request of the agency, Mr. Steve Metheny submitted, via letter dated April 22, 2008 a list of the aircraft and operators that were authorized to use Carson Composite Main Rotor Blade HOGE charts. N725JH, N4503E, N103WF, N7011M, and N61NH were listed (among others) as Carson aircraft approved to use RFMS 6 dated May 18, 2007. RFMS 6 is for an increase in Out of Ground Effect and In Ground Effect Hover Performance for the S-61L, S-61N, and S-61NM long or short body helicopter. The Power Available chart (Takeoff Power) shows that power available at 7000'PA/20°C equates to 1000 SHP/engine. The RFMS 6 Power Required to Hover Out of Ground Effect chart computes a gross weight of 17,300 pounds. If RFMS 6 is approved for the above listed helicopters, should not RFMS 6 have been used for HOGE computations for all helicopters?

The load calculations that were submitted in your response to the cure notice were incomplete and/or inaccurate. A download for the S-61 has been established as 550 pounds and is required for all non-jettisonable loads as stated in Exhibit 13 for contract number AG-024B-C-08-9354. This download applies to N7011M, N4503E, N103WF, N61NH, and N725JH. Corrected load calculations need to be submitted showing the weight reduction and the corrected computed gross weight from RFMS 6. The download is not applicable to the 5 helicopters awarded under contract number AG-024B-C-08-9340.

Contractual Concerns

In our evaluation process we consider the helicopters technical capability as the most important evaluation factor and it is important the helicopter performance information is accurate. It is apparent that the information we evaluated was not complete and therefore the accuracy is in question, i.e. helicopter weights, performance charts, and load calculations. It is important the information we receive in response to this notice is complete and accurate.

If the data that was evaluated in our initial proposal review was not accurate it would have compromised the award recommendations that were made.

The performance specifications established for this contract were as follows for the IA:

AG-024B-C-08-9354—National Exclusive Use Initial Attack (IA)

Hovering out of ground effect (HOGE)

At 7,000 feet pressure altitude and 20 °C with non-jettisonable jettisonable

Payload of 3000 pounds, as determined by Exhibit 13, Standard Interagency Load Calculation form, using a standard pilot weight of 200 pounds and fuel for one hour and 30 minutes (01+30) as determined by Exhibit 12, Hourly Flight Rates, Fuel consumption, and Weight Reduction Chart.

The five helicopters offered and awarded to you under each contract were for the following items and respective initial payloads. This information is used in our best value analysis: Please provide the correct payloads as requested.

Contract Item	Host Base	A/C Number	Initial Payload	Revised Payload (lbs) With Wt. Reduction
Item 1	John Day	N61NH	4712	
Item 3	Missoula	N103WF	4724	IDENTIFY CORRECT
Item 4	Twin Bridges	N725JH	4042	PAYLOADS
Item 5	Ogden	N7011M	4718	
Item 9	Santa Ynez	N4503E	4709	

AG-024B-C-08-9340—National Exclusive Use Large Fire Support (LFS)

Hovering out of ground effect (HOGE)

At 7,000 feet pressure altitude and 20 °C with non-jettisonable jettisonable

Payload of 3000 pounds, as determined by Exhibit 13, Standard Interagency Load Calculation form, using a standard pilot weight of 200 pounds and fuel for one hour and 30 minutes (01+30) as determined by Exhibit 12, Hourly Flight Rates, Fuel consumption, and Weight Reduction Chart.

Contract Item	Host Base	A/C Number	Initial Payload	Revised Payload (lbs) With Wt. Reduction
Item 11	Hemet	N905AL	4346	
Item 12	Casitas	N116AZ	4606	IDENTIFY CORRECT
Item 13	Van Nuys	N612RM	4603	PAYLOADS
Item 16	San Bernardino	N410GH	4103	
Item 23	Mariposa	N3173U	4492	

Upon receipt and review of your response the Government will conduct an evaluation of the information and determine if it is sufficient to meet all contract requirements. If the information in response to this final notice is incomplete or inaccurate or we have determined to be insufficient we may proceed to terminate your contract for cause as per the Contract Terms and Conditions- FAR 52,212-4) (m) Termination for Cause. The termination clause is referenced on the SF 1449 Block 27a (Cover Sheet). If terminated for cause the Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions or fails to provide the Government upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

If you have any questions, please call me at (208) 387-5347.

Sincerely,

A black rectangular redaction box covers the signature of Frank Gomez.

FRANK GOMEZ
CONTRACTING OFFICER

cc: Vince Welbaum-NIFC
John Nelson-NIFC

Attachment for Helicopter Weights for AG-024B-C-08-9354—National Exclusive Use Initial Attack (IA)

&

AG-024B-C-08-9340—National Exclusive Use Large Fire Support (LFS)

Aircraft	Bid Equipped Weight From Contract Award Without Tank and Snorkel	Weight removed from the Aircraft since the issuing fo the Cure Notice	Current Chart C Weight less Tank and Snorkel	Amount of weight the aircraft is over or under the Bid Equipped Weight	Tank Weight	Snorkel Weight
N61NH	11353					
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.						
N7011M	11347					
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.						
N103WF	11341					
Note: Annotate all equipment, components, accessories, etc that have been removed since the issuing of the Cure Notice.						