

## VIP JETS AGREEMENT CONCLUDED. FIRST OF THE BOEING 737S TO BE ACQUIRED THIS YEAR

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**The Armament Inspectorate of the Polish MoD has signed an agreement with the Boeing Company, concerning the acquisition of three medium VIP aircraft, which is to be covered by a net total amount of USD 523.6 million. The transaction has been concluded on the ultimate legally permissible date, on the basis of the National Appeal Chamber decision to lift the prohibition to finalize the agreement before the Appeals submitted by the three remaining bidders are scrutinized. Thanks to the steps mentioned above, it was possible to make full use of PLN 540 million, expected to be spent in order to procure the aircraft within the 2016 budget. Bartosz Kownacki, Deputy Minister of Defence assured that the concluded contract will remain in force, regardless of the ultimate decisions made by the NAC.**

The agreement signed on 31st March 2017 is related to acquisition of three Boeing 737-800NG jets. The document has been signed by the following representatives of the Parties, in the presence of Deputy Minister Bartosz Kownacki: Head of the Armament Inspectorate, Col. Dariusz Pluta, and Jon W. Lewis, Regional Director for Contracts of the Boeing Company. The aircraft are to be delivered on the following dates: 15th November 2017, 15th September 2020 and 15th November 2020.

The first, second-hand airframe is to be delivered until 15th November 2017. The jet will be transferred in a standard passenger configuration, only to be retrofitted and transformed into a VIP aircraft, arranged as follows:

- Four-person HEAD cabin in a conference layout;
- 8 Business Class seats;
- 120 seats in the Economic Class.

Another two aircraft, delivered in the 737-800 BBJ2 variant (Boeing Business Jet) are expected to be received by the Polish authorities in September and November 2020. The aforesaid jets will, most probably, be the last ever 737-800 airframes manufactured by Boeing. The aircraft is currently being replaced by the newer 737-MAX model. Both BBJ2 aircraft destined to be operated by the Polish government are to be configured in a way which would enable them to carry out long-haul HEAD flights. The acquired aircraft are expected to have the cabin layout as follows:

- Four-person HEAD cabin in a conference layout;
- VIP cabin for two persons;
- Business Class cabin with 12 seats (8 conference seats and 4 conventional ones);
- Economic Class section, with 48 seats;
- Leisure (sleeping) cabin for the aircrew.

The aircraft are also required to be fitted with active and passive countermeasure systems, encrypted military-grade communication suites and military grade TACAN navigation aid and IFF system.



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The agreement also includes rendering of the services of the technical support and personnel training, provided by the potential contractor. The total value of the contract is defined as USD 523.6 million, which is equal to 2.05 billion zlotys, net. After the tax is included, the value of the procured assets will go up to PLN 2.5 billion. As stressed by Bartosz Kownacki, this amount is hundreds of millions lower than the one applicable in case of the offers placed in the supplementary procurement procedure, cancelled by the Polish Ministry of Defence. The procurement process leading towards signing of the agreement has been initiated by the Armament Inspectorate on 10th March. The order is being realized as a single source procurement procedure, and it has involved only the Boeing company.

Despite the fact that an appeal has been submitted by the competitors to the National Chamber of Appeals, Kownacki assured that the contract concluded with the Boeing company is to remain in force. This has been possible thanks to the decision issued and adopted by the aforesaid body, revoking the prohibition of concluding the agreement before the offers placed by the Slovakian Aerospace International Group, British The Jet Business International company and Swiss Altenrhein Aviation AG company, were scrutinized. The decision concerning the aforesaid appeals is to be made on 3rd April this year, and it shall be binding, should the aforesaid entities claim damages. Nonetheless the administrative order mentioned here will not make it possible to terminate the agreement already concluded.