

The company does not have any requirement for a flight simulator. MHS has only 70 pilots and since the training requirement is small, the company finds it more economical to send its pilots to Flight Safety Incorp. (USA) for flight simulator training.

### 3.1.3 Maintenance of Aircraft

With regard to maintenance of aircraft, MHS has the capability to conduct up to third level or hangar checks. The company's workshop has about 30-40% capacity and the company is only able to work on minor repairs. Major repairs have to be sent off shore, usually to maintenance agencies in Singapore, UK, USA, Australia, France and Canada.

Currently, MHS has a Support Service Agreement with Bristow Helicopters of U.K. for all overhaul work on major components of its aircraft (for example gearboxes, rotor blades, engines, avionics, calibration kits, etc).

Under the Agreement MHS sends all major overhaul work that Bristow is capable of handling to Bristow while all remaining overhaul work is sent directly by MHS to other maintenance organizations or to manufacturers. For example, MHS now sends the gearboxes and shafts of the S61N's to Sikorsky directly. Likewise, MHS deals directly with Allison for maintenance work on the Allison engines that are used to power the Sikorsky S-76A's. In the case of the engine in the HS125-700B, MHS has a maintenance service plan with Garrett, the engine manufacturer.

Apart from the Support Service Agreement with Bristow and the maintenance service plan with Garrett (USA), MHS is free to send its aircraft components for overhaul to the maintenance agency with the best quotation. Unlike the DCA whose procurement practice is based on a tender system, MHS keeps a list of vendors (at least two vendors for each component category) and selects the vendor with the most competitive prices. In the case of overhauling of avionics and related equipment, MHS tends to send most of its avionics equipment to overhauling agencies in Singapore where companies such as Dowty, Samaero, Samco, Garrett, Falcon, Turbomeca and Hawker Pacific are represented.

### 3.1.4 Procurement Practice

All procurement by MHS is conducted through its Engineering Division which is quite autonomous. Vendors are required to be registered with MHS and when particular items are required the company will call for quotes from appropriate suppliers on its list. Normally two quotes are sought. However, for certain proprietary items such as rotor blades for the Sikorsky aircraft, MHS has no choice but to source the item directly from the manufacturers themselves.