

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



**REPUBLISHING OF INVITATION FOR BID 185475/CABW/2018
PAG 67102.185475.2018-27**



CONTENTS

1. DEFINITIONS4

2. OBJECT6

3. PARTICIPATION REQUIREMENTS7

4. ACCREDITATION8

5. ENVELOPES WITH QUALIFICATION DOCUMENTATION AND PROPOSAL8

6. QUALIFICATIONS (ENVELOPE # 01).....9

7. PRICE PROPOSAL (ENVELOPE # 02).....10

8. PROCEDURE FOR OPENING ENVELOPES13

9. REVIEWING QUALIFICATION DOCUMENTS14

10. REVIEWING THE PRICE PROPOSAL14

11. HOMOLOGATION AND ADJUDICATION.....15

12. CONTRACT15

13. SUBCONTRACTING16

14. TERMS16

15. FINANCIAL GUARANTEE18

16. CHANGES TO THE CONTRACT18

17. PRICE ADJUSTMENT19

18. PAYMENT20

19. MONITORING20

20. RECEIPT OF THE OBJECT21

21. ACTS OF GOD OR FORCE MAJEURE.....21

22. OBLIGATIONS OF THE CONTRACTING PARTY AND THE CONTRACTED PARTY22

23. TERMINATION OF THE CONTRACT.....22

24. BUDGETARY ALLOCATION22

25. VIOLATIONS AND ADMINISTRATIVE SANCTIONS.....22

26. APPEALS25

27. GENERAL PROVISIONS.....26



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 Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
 Chief of BACW Fiscal Division



MINISTRY OF DEFENSE
 AERONAUTICAL COMMAND
 BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

INVITATION FOR BID 185475/CABW/2018
 PAG 67102.185475.2018-27

Approved on: January 30th, 2019



LEONARDO GUEDES Col
 BACW'S Chief

Legal Support: The Brazilian Federal Government, through the Brazilian Aeronautical Commission in Washington ("BACW"), lets it be known to all who may be interested, that on the date, time and place indicated below, BACW will carry out a bidding process on the basis of indirect execution, to be adjudicated based on the **LOWEST UNIT PRICE** (Letter B, Sub-item VIII of Article 6 of Brazilian Law 8,666/93), in accordance with this Invitation to Bid and its Annexes. The bidding procedures will follow the principles of the Law nº 8,666/93 (Brazil), its related legislation, and the other requirements provided in this Invitation to Bid and its Annexes. Furthermore, bids submitted to BACW will be interpreted, evaluated and judged according to the principles of the articles 3 and 123 of Law nº 8,666 from 06/21/1993, regarding legality, impartiality, moral, equality, transparency.

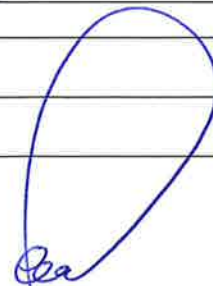
Date of delivery and opening of envelopes:	February 6th, 2019
Time:	8:00 a.m. (Eastern Standard Time)

Address:	1701 22nd St N.W. Washington D.C 20008	Phone:	(202) 483-4031
		Fax:	(202) 483-4684
		E-mail:	con@cabw.org

Accreditation:	February 6th, 2019
Time:	8:00 a.m. (Eastern Standard Time)



Renato Alves de Oliveira, Lt Col
 Chief of BACW Bidding and Contracts Division



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 Chief of BACW Fiscal Division



1. DEFINITIONS

1.1. In order to facilitate the comprehension of terminology and to simplify text composition, the following abbreviations and expressions were adopted, followed by their definitions hereafter:

1.1.1.1. AES or AUTOMATED EXPORT SYSTEM – System used by US exporters to electronically file their exports, known as Electronic Export Information (EEI). This information is also shared with the Bureau of Industry and Security, with the Directorate of Defense Trade Controls or other federal agencies involved in the monitoring and approval of US exports.

1.1.1.2. ANSI or AMERICAN NATIONAL STANDARDS INSTITUTE – American organization responsible for standardization.

1.1.1.3. AWB or AIR WAYBILL – Knowledge of the cargo which constitutes the airway bill of lading. Document issued by the transportation agent or by the transportation company itself. It shows the owner of the exported cargo as well as its consignee. The following information must be included in this document: the recipient, the consignee, who must be notified of cargo arrival, type of cargo, quantity, weight, type of stowage, container number, seal or stamp number, a statement of cargo loaded, freight payment modality, among other data.

1.1.1.4. BP or BASIC PROJECT- As per Brazilian Law 8.666, dated June 21, 1993, the set of necessary and sufficient elements, with the necessary degree of precision, to define the project, service or body of work, which will constitute the Bid Subject. It is drafted based on the suggestions drawn from preliminary technical studies, which ensure technical feasibility and adequate treatment of the project's environmental impact, as well as evaluating the project or service's costs, defining the methods and terms for its performance.

1.1.1.5. COMAER – Brazilian Aeronautical Command;

1.1.1.6. COMREC - Goods and Services Receiving Commission;

1.1.1.7. CONTRACTED PARTY – the natural person or legal entity contracted to perform the services;

1.1.1.8. CONTRACTING PARTY- Brazilian Aeronautical Commission in Washington, DC (BACW);

1.1.1.9. CTLA – Aeronautical Center for Transportation Logistics ('Centro de Transporte Logístico da Aeronáutica'). It is located at Est Alfredo Rocha, 495 - Ilha do Governador | Rio de Janeiro - RJ | CEP: 21941-580 - Brazil.

1.1.1.10. DAT or Delivered at Terminal- It is an INCOTERM 2010 Modality. For the purposed of this Contract, it shall be **Guarulhos International Airport (GRU)**, in the state of São Paulo, Brazil.

1.1.1.11. DESTINATION- **Guarulhos International Airport (GRU)**, in the state of São Paulo, Brazil. (Rod. Hélio Smidt, s/nº - Cumbica, Guarulhos - SP, 07190-100, Brazil).

1.1.1.12. DOT or DEPARTMENT OF TRANSPORTATION – US government body responsible for the transportation system

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1.1.1.13. EEI or Electronic Export Information – It is the AES Information log for goods to be exported- that is, a Goods Export Declaration Record.

1.1.1.14. EXPENSE CONTRACT or CONTRACT- The Agreement which the Public Administration (CONTRACTING PARTY), acting as such, signs with a private person or other Administrative Entity (CONTRACTED PARTY), for the performance of the services in question and under the conditions set forth by the Public Administration itself.

1.1.1.15. EXPENSES SUPERVISOR- Administration Agent with the authority to perform acts resulting in funds citations, authorize payment, supply of funds, estimate approval, among other actions.

1.1.1.16. FAB – Brazilian Air Force

1.1.1.17. FIXED PACKAGING. DOCUMENTATION FEE (T-EP/DC) – CONTRACTED PARTY'S Fixed Fee for the packaging correcting processes and/or HAZMAT documentation.

1.1.1.18. HAZMAT SHIPMENT - Document issued by the CONTRACTING PARTY containing information about the items to be shipped.

1.1.1.19. HAZMAT or Hazardous Material – Material is classified as HAZMAT when it is governed by specific control regulations, such as any item or (biological, chemical, radiological or physical) agent, which may potentially cause harm to human beings, animals or to environment, by itself or through interaction with other factors. Managing this type of material includes all management of its life cycle from the planning and development of new products, production, distribution, storage, transportation, use, cleaning and elimination.

1.1.1.20. IATA DANGEROUS GOOD DECLARATION or IATA DGD – It is a document issued by a shipper (BACW Supplier) to certify that a dangerous good (Hazardous Material) was packaged, labeled and declared in accordance with international air transportation regulations.

1.1.1.21. ICA – Aeronautical Command Directive;

1.1.1.22. ICA 12-23/2014 – Aeronautical Command Directive on the Inspection and Acceptance of Goods and Services and application of administrative sanctions.

1.1.1.23. ICA 65-8/2009 –Aeronautical Command Directive on the responsibilities of the INSPECTORS AND COMREC.

1.1.1.24. ICC or INTERNATIONAL CHAMBER OF COMMERCE – International Commerce body, acting to promote international commerce.

1.1.1.25. INCOTERMS 2010 or International Commercial Terms– International Purchase Terms published in 2011. For the purpose of enabling the standardization and correct interpretation of transfer or responsibility, costs and risks in international contracts, signed between exporters and importers.

1.1.1.26. INVOICE – Commercial document formalizing an act of purchase and sale abroad, which must contain- among other information- the following data: supply quantity, supply unit, price, payment terms, taxes, duties and FAB Purchase Order Number.

1.1.1.27. MO - Military Organization;

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1.1.1.28. MONITOR- the individual or commission representing the CONTRACTING PARTY before the CONTRACTED PARTY, appointed to systematically monitor the fulfillment of contractual terms and complementary orders issued by the Government, in all their aspects;

1.1.1.29. ORIGIN- BACW (Brazilian Aeronautical Commission in Washington D.C.), the BACW's Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748, USA), or other location within 40 miles of the BACW's Warehouse.

1.1.1.30. PAAI – Formal internal administrative procedure which consists in the registration of all acts to determine the administrative facts necessary to clarify and review judgments of the competent authority, allowing due process, which will culminate in the implementation or not of the administrative sanctions provided for in the Law (ICA 12-23);

1.1.1.31. PACKAGING / DOCUMENTATION (EP/DC) Packaging correction cost or HAZMAT documentation.

1.1.1.32. PAG – Administrative Management Process.

1.1.1.33. PROCESSING- It is an administrative fee to be paid by the CONTRACTING PARTY for the processing of profit and costs by the CONTRACTED PARTY.

1.1.1.34. STORAGE- Organized safekeeping of adequately preserved goods, in warehouses, on shelves- whether separated in sections or not, or in marked open areas, due to the type, dimension and nature of the goods and its packaging; all such locations must be adequately marked, grouping together items of a similar nature.

1.1.1.35. TERM OF RECEIPT – Document issued by the COMREC attesting and accepting services performed.

1.1.1.36. UN Code – "Dangerous goods are assigned to UN numbers and proper shipping names according to their hazard classification and their composition." (ST/SG/AC.10/1/Rev.17 (Vol.I))

2. OBJECT

2.1. Contracting of a specialized company for the **transportation services for goods**, from the BACW (Brazilian Aeronautical Commission in Washington, D.C.), from the Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748 USA) or within up to 40 miles of the warehouse to the **Guarulhos International Airport (GRU), by air**, with commercial rights and obligations between the Parties being governed by DAT (Delivered at Terminal) and INCOTERMS 2010 (ICC Publication nº 744. 2013 Edition)

2.1.1. In the above mentioned INCOTERMS, cargo insurance (cost definition) shall not be taken into account, as the CONTRACTING PARTY already has such a contract in place

2.2. For logistic purposes, the object of this INVITATION FOR BID shall be divided into HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, in accordance with transportation regulations, and NON-HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, as per the following table.

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HAZMAT									
Aircraft Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Passenger	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
Cargo									

NON-HAZMAT									
Aircraft Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Passenger	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
Cargo									

2.3. It is noted that the services related to this INVITATION FOR BID must comply with all the laws and regulations set forth by the U.S. Federal Government, the district and the state in which the facilities are located.

2.4. The following annexes are integral parts of this INVITATION FOR BID, regardless of whether or not they are herein transcribed:

- ANNEX I – BASIC PROJECT;**
- ANNEX II - PRICE PROPOSAL MODEL;**
- ANNEX III – CONTRACT DRAFT;**

2.5. The services that are object of this INVITATION FOR BID shall be performed on the basis of indirect execution, at the Lowest Global Price, according to the **ANNEX I – BASIC PROJECT.**

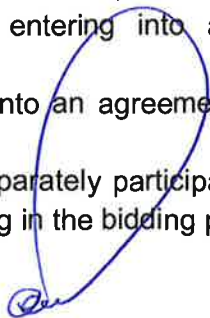
3. PARTICIPATION REQUIREMENTS

3.1. Interested companies, registered with BACW or not, that are related to the object of this bidding may participate in this Bidding Process pursuant to the provisions of the respective acts that established the bidding. The BACW will select and invite at least three (3) companies.

3.2. Companies that are under the following conditions may not participate in the bidding:

- 3.2.1.** Bankruptcy, legal restructuring, or extrajudicial reorganization;
- 3.2.2.** Dissolution or liquidated;
- 3.2.3.** Suspended from participating in bidding processes or have a note of failure on the execution of a contracting in its registration in BACW in the last 3 months;
- 3.2.4.** Barred from participating in bidding processes and entering into a Contract agreement with the Brazilian Federal Government;
- 3.2.5.** That are declared not to be in good standing to enter into an agreement with the Public Administration (Brazil);
- 3.2.6.** That are part of a consortium, or joint venture that is separately participating in the bidding, or control or are controlled by another entity participating in the bidding process.


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4. ACCREDITATION

4.1. The bidder, or its representative shall report to the Bidding Commission at the place, date and time indicated in the preamble to this Invitation to Bid for the purpose of conducting the registration of the participants in this Bidding Process, with his/her ID card, or other identification document, along with the document granting him/her powers to express opinions during the bidding procedures (such documents shall be made available outside of the Envelopes containing the Qualification Documents and Commercial proposals).

4.1.1. Failure to present any of the documents for registration or presentation of incorrect documents shall not preclude participation of the bidder. However, it will prevent its representative from expressing an opinion on behalf of the bidder.

4.2. The representative of a bidder shall be any qualified individual under the terms of its incorporation papers, public power of attorney document, private and notarized power of attorney document, or equivalent document.

4.2.1. Incorporation papers or registration as a proprietorship shall describe the authority of the representative of the bidder to represent it before third parties.

4.2.2. A power of attorney document shall describe all the required powers to present proposals and carry out all acts pertaining to the bidding process, and should be accompanied with incorporation papers or proprietorship registration.

4.3. A registered representative may only represent one bidder.

5. ENVELOPES WITH QUALIFICATION DOCUMENTATION AND PROPOSAL

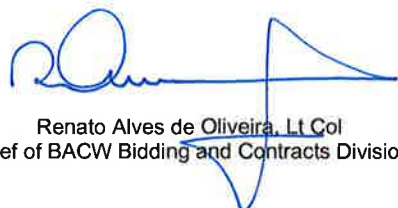
5.1. Each bidding participant shall present two envelopes, one containing qualification documents and the other the price proposal.

5.2. The sets of documents pertaining to qualification and price proposal shall be delivered separately, inside sealed envelopes, with an initial on the flap and identified with the name of the bidder.

5.3. Bidders are strongly urged to use the following identification label format in order to identify their bids.

ENVELOPE Nº 01 – QUALIFICATION DOCUMENTS
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
INVITATION FOR BID Nº 185475/CABW/2018
[NAME OF THE COMPANY]

ENVELOPE Nº 02 – PRICE PROPOSAL
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
INVITATION FOR BID Nº 185475/CABW/2018
[NAME OF THE COMPANY]


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5.4. The ENVELOPE Nº 01 – QUALIFICATION DOCUMENTS, and the ENVELOPE Nº 02 – PRICE PROPOSAL **must be included in an oversized envelope, sealed and addressed to the BIDDING COMMISSION.** The name and address of the bidder must be shown in the upper left corner of the bid envelope, and the invitation number, the date and hour of bid opening must be shown in the envelope in accordance with the following model:

C/O BIDDING COMMISSION – BID # 185475/CABW/2018
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
1701 22nd Street N.W. Washington, DC 20008

SESSION ON February 6th 2019 at 8:00 a.m. (EST)
NAME OF THE COMPANY

5.4.1. The envelope may be forwarded by Postal Service or other similar delivery services, with tracking capabilities, and proof of delivery receipt. The envelope must be delivered at least by the opening of the public session at **08:00 a.m.** (Eastern Standard Time) of **February 6th, 2019 at 8:00 a.m**

5.4.1.1. Bidders are strongly advised to inform the tracking number of their envelopes to the BIDDING COMMISSION by means of the e-mail con@cabw.org prior to the date and time of the opening of the public session.

5.4.1.2. Envelopes delayed to be delivered to the BIDDING COMMISSION due to carrier issues or improper envelope identification shall not be considered.

5.4.1.3. BACW shall not be responsible for mistakes due to envelopes improper identification.

5.4.1.4. When sending envelope by Postal Service, the bidder must include the bid number on the outside envelope, so the package can be identified when arrived at BACW. (e.g Some carriers permit the inclusion of the Bidding Number in the REFERENCE field.)

5.4.2. Envelopes may also be presented in person to the Bidding Commission in the public session.

6. QUALIFICATIONS (ENVELOPE # 01)

6.1. Companies must deliver the following documents in its qualification envelope.

6.2. Legal Qualification:

6.2.1. Present evidence of the **Company's Federal Tax Identification Number/EIN;**

6.2.2. Present the **Basic Business License** or other evidence of authorization to operate in the relevant jurisdiction, in the relevant field and issued by relevant Government Agency;

6.2.3. Present the following documents of the Company: **Certificate of Incorporation, or Certificate of Formation, or Articles of Incorporation, or Articles of Organization,** or other similar organizational document.

6.2.4. Present a valid **Certificate of Liability Insurance** of the Company (proof of insurance);



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6.3. Technical Qualification:

6.3.1. Present a **declaration** issued by the bidder in which states that the company comply with all the laws and regulations set forth by the U.S. Federal Government, the district and the state in which the facilities are located for the performance of the services that are object of this INVITATION FOR BID.

6.3.2. Due to the necessity of transporting *Foreign Military Sales (FMS)* cargo, the BIDDER is required to present a document proving that the company has **authorization from the U.S. authority to transport FMS cargo.**

6.4. The required certificates and/or statements shall be valid in cases where there are expiration dates.

6.5. No delivery slip or official request for documents will be accepted in lieu of the documents required in this Invitation For Bid and its Annexes.

7. PRICE PROPOSAL (ENVELOPE # 02)

7.1. The proposal, which should be typed and written in English, must be clear and have no amendments or erasures, duly dated and signed, with all pages initialed by the bidder's representative, according to the model in ANNEX II and the BASIC PROJECT, ANNEX I. The proposal shall include:

7.1.1. In preparing their price proposals, bidders must be aware of the following guidelines:

7.1.1.1. The service quoted shall include all costs arising from the performance of the services, whether direct or indirect, including but not limited to what is described below: all inputs such as fees and/or taxes, social contributions, duties and taxes, administrative fees, permits, and all other fees necessary for full compliance with the object of the INVITATION, in accordance with the Basic Project.

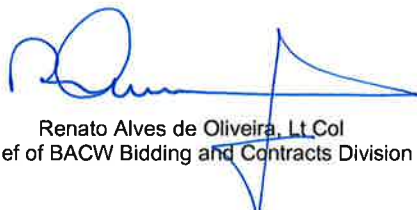
7.1.1.2. Costs identified as funding or other non-specific terms shall not be accepted in the price proposal.

7.1.1.3. Tax rates quoted by the bidder shall not exceed the limits established under applicable tax legislation.

7.1.1.4. The validity of the proposal shall not be less than sixty **(60) days** from the day the bidding process is officially initiated.

7.2. Under no circumstances shall the content of the submitted proposals be changed, neither with regard to price nor any other terms or conditions that imply any alteration to the original proposal. Exceptions are allowed only when these are formal changes intended to resolve immaterial errors or mistakes, without any alteration to the substantive content of the proposal or the aforementioned terms and conditions, and provided they will not cause any adverse impact to the other bidders.

7.3. Errors in filling out the proposal should not warrant disqualification of the proposal when it is possible to make adjustments without the need to increase the prices offered, and provided it is demonstrated that the amount will be sufficient to cover all costs of the Contract.



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- 7.3.1. In case errors are noticed, the Bidding Commission will perform a diligence in order to assure that the adjustments to be made do not constitute a need to increase the offered prices, and/or the offered price covers the cost of the CONTRACT.
- 7.3.2. Any correction in proposals shall be duly recorded in the open session's meeting minutes.
- 7.4. The changes addressed under this item shall be submitted to the Bidding Commission for review.
- 7.5. The Bidding Commission may perform the correction of any of the above-described errors, or it can request the Bidder to submit the corrected proposal. No complaints with regard to the proposals will be admitted after they are duly recorded in the minutes.
- 7.6. After qualification, it is not possible to withdraw a proposal, unless for cause due to a supervening fact as accepted by the Commission.
- 7.7. The award shall be made to the lowest responsive bid after qualification phase and price proposal acceptance.
- 7.8. The PRICE PROPOSAL must be typed in English and the prices stated in US dollars.
- 7.9. For HAZMAT shipments, **UN Code cost for cargo aircraft and UN Code cost for passenger aircraft** shall be submitted by the bidder in the bidding process, as per price proposal model.
- 7.10. For HAZMAT shipments, **FIXED PACKAGING / DOCUMENTATION FEES** shall be submitted by the bidder in the bidding process, as per price proposal model.
- 7.11. The UNIT PRICE must be obtained adding the COST PER RANGE (CPR) per HAZMAT and NON-HAZMAT range multiplied by its referred WEIGHTING FACTOR (WF), resulting in the WEIGHTED UNIT PRICE PER RANGE (WUPR)
- 7.12. The arithmetic average of the WUPR plus the cost per UN CODE for cargo aircraft plus the cost per UN CODE for passenger aircraft and the cost of FIXED PACKAGING / DOCUMENTATION FEE shall be the UNIT PRICE of the bidder, as per the mathematical demonstration below:
- 7.13. COST PER RANGE.

$$7.13.1. CPR_n = RCH_n + RPH_n + RP_n + RC_n$$

RANGE		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Cargo Type	Aircraft Type	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
HAZMAT	Cargo	RCH1	RCH2	RCH3	RCH4	RCH5	RCH6	RCH7	RCH8	RCH9
	Passenger	RPH1	RPH2	RPH3	RPH4	RPH5	RPH6	RPH7	RPH8	RPH9
NON-HAZMAT	Passenger	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8	RP9
	Cargo	RC1	RC2	RC3	RC4	RC5	RC6	RC7	RC8	RC9

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COST PER RANGE	CPR1	CPR2	CPR3	CPR4	CPR5	CPR6	CPR7	CPR8	CPR9
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7.13.2. WEIGHTING FACTOR (WF).

WEIGHTING FACTOR (WF)								
Range 1 (W1)	Range 2 (W2)	Range 3 (W3)	Range 4 (W4)	Range 5 (W5)	Range 6 (W6)	Range 7 (W7)	Range 8 (W8)	Range 9 (W9)
Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
0.6	0.2	0.029	0.029	0.029	0.029	0.029	0.029	0.029

7.14. WEIGHTED UNIT PRICE PER RANGE (WUPR):

7.14.1. $WUPR = CPR_n * W_n$

7.15. The arithmetic average of the WUPR:

$$Average\ WUPR = \frac{(WUPR1) + (WUPR2) + (WUPR3) + (WUPRn)}{n}$$

7.16. UNIT PRICE OF THE BIDDER:

UNIT PRICE = Average WUPR + UN CODE per cargo aircraft + UN CODE per passenger aircraft + FIXED PACKAGING / DOCUMENTATION FEE.

7.17. It is important to point out that during the performance of the CONTRACT the amounts to be paid shall be shown by range in the RCH, RPH RP, and RC fields, according to the weight in kilograms of the cargo to be shipped.

7.17.1. Bidders must submit a fixed price for Range 1, and a price per kilogram in Ranges 2 to 9.

7.18. Bidders must submit their price proposals in accordance with the PRICE PROPOSAL MODEL as provided in the Invitation for Bid.

7.19. Using the average amounts paid during past years, the **MAXIMUM ESTIMATED** amount of the contract shall not be more than **US\$ 201,632.24 per 12 months of contract performance.**

7.20. The estimates in prospected demand included in this INVITATION FOR BID do not imply any obligation by the CONTRACTING PARTY.

7.21. For the objective of this INVITATION FOR BID, the maximum rates per weight are designated as follows:

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RANGE		Estimated Cost								
		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Cargo Type	Aircraft Type	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
HAZMAT	Cargo	USD 1,084.93	USD 15.65	USD 8.29	USD 7.92	USD 7.73	USD 7.73	USD 7.54	USD 7.54	USD 7.54
	Passenger	USD 787.05	USD 10.77	USD 6.59	USD 5.93	USD 5.81	USD 5.81	USD 5.72	USD 5.62	USD 5.62
NON-HAZMAT	Passenger	USD 741.58	USD 12.03	USD 4.57	USD 4.19	USD 4.13	USD 4.13	USD 4.02	USD 4.02	USD 4.02
	Cargo	USD 961.38	USD 14.28	USD 7.42	USD 7.04	USD 6.79	USD 6.79	USD 6.53	USD 6.53	USD 6.53
UN CODE – HAZMAT CARGO		USD 135.00								
UN CODE – HAZMAT PASSENGER		USD 117.50								
PACKAGING/ DOCUMENTATION (EP/DC)		USD 92.50								

8. PROCEDURE FOR OPENING ENVELOPES

8.1. On the date, time and place indicated in this Invitation For Bid, in a public act, before the bidders present, the Permanent Bidding Commission will receive the oversized sealed envelopes (referenced in item 5.4) containing **Envelopes nº 01 and nº 02**, and will proceed to initiate the bidding process.

8.1.1. These public acts may be attended by any person, but only the bidders and their registered representatives will be allowed to engage the Bidding Commission in conversation.

8.2. Once the deadline for delivering the documents has passed, no other documents will be received, nor will there be accepted any addendum or clarifications regarding the documentation or price proposal submitted.


8.3. After the bidders are identified, the Bidding Commission will proceed to opening Envelopes nº 01 – Qualification Documents.

8.3.1. The content of the envelopes shall be initialed by the members of the Bidding Commission and the representatives of all of the bidders present.

8.4. The qualification of the bidders will be verified, in accordance with this Invitation to Bid.

8.4.1. Should the Bidding Commission deem necessary, it could adjourn the public session, so as to analyze the documents presented by the bidders, setting, at that time, a new date and time when a new public meeting will take place, informing all bidders.

8.4.1.1. Considering the above hypothesis, all the qualification documents already initialed, and the Envelopes nº 2 – Price Proposals – initialed on the outside by the present bidders and the Bidding Commission members, will be kept by the Bidding Commission, until the qualification phase is concluded.


Renato Alves de Oliveira, Lt.Col
Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



8.5. Disqualified bidders will have the Envelope nº 2 returned unopened after the legal period has transpired without appeal or its withdrawal, or an adverse decision on its appeal.

8.6. In case there are not 3 (three) participating bidders at the bidding meeting, the Bidding Commission will inquire to the present bidders about safeguarding their envelopes for a republishing of the IFB to be announced at later date.

8.7. After the analysis of the QUALIFICATION DOCUMENTS, it will be granted the deadline of 2 (two) business days, for the bidders to present any appeals. After that, a date for new meeting for opening the PRICE PROPOSAL will be announced.

8.7.1. The opening of PRICE PROPOSAL may occur at the same meeting in the following cases:

8.7.1.1. All bidders are declared QUALIFIED by the BIDDING COMMISSION, and the present bidders waive their right to appeal.

8.7.1.2. All the bidders are present and waive their right to appeal.

8.7.1.3. If the Bidding Commission consults the bidders that are not present at the meeting and they waive their right to appeal together with all bidders present.

8.8. In the event that one of the bidders does not withdraw the right to appeal the qualification phase, Envelopes nº 2 – Price Proposals – will be initialed by the bidders, and kept in a safe until a date is set for their opening.

8.9. After the qualification phase is finished and all the proposals have been opened, bidders cannot be disqualified by any reason related to the qualification process, with the exception of any supervening facts, or facts only known after the judging of the proposals.

8.10. The price proposals from the qualified bidders will be judged according to the requirements set forth in this Invitation For Bid.

8.11. If all the participants are disqualified for reason of their QUALIFICATION DOCUMENTS or otherwise, the Bidding Commission may establish a term of three (3) business days for new documentation or proposals to be submitted.

8.12. During all public acts, detailed minutes will be prepared and signed by the members of the Commission and the bidders' legal representatives in attendance.

9. REVIEWING QUALIFICATION DOCUMENTS

9.1. Participants will be **disqualified** if:

9.1.1. They submit documents required in this Invitation to Bid that are expired and/or not duly updated and/or not responsive to the requirements set forth in the Invitation to Bid.


9.1.2. They include the price proposal inside Envelope nº 01.

9.2. Bidders will be notified of their qualification or otherwise through publication. In the event that bidder representative attends the public meeting in which the decision was made, it will be communicated directly to the representative and recorded in the minutes.

10. REVIEWING THE PRICE PROPOSAL

10.1. The criterion for reviewing the proposal will be the **LOWEST UNIT PRICE**.

10.2. It will be **DISQUALIFIED** the proposal which:



Renato Alves de Oliveira, Lt.Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



- 10.2.1.** Does not comply with Item 7 (Price Proposal) of this Invitation For Bid;
- 10.2.2.** Is flawed or illegible, it is not specific or presents with irregularities and flaws that hinders its review;
- 10.2.3.** It is not in compliance with any requirement set forth in this Invitation For Bid or the BASIC PROJECT;
- 10.2.4.** It includes advantages that are not provided for in the Invitation For Bid, including subsidized financing, lack of any required due dates, or prices or advantages that are based on offers presented by another bidder;
- 10.2.5.** It presents prices that are unrealistic in the sense that their viability cannot be appropriately demonstrated through documentation that proves that the costs of input are consistent with market prices and that productivity is consistent with the performance of the object;

10.2.5.1. Under these circumstances, the bidder will have **two (2) business days** to demonstrate the feasibility of the prices included in its proposal, in accordance with Article 48, item II, of Law nº 8,666/93 (Brazil), under the penalty of being disqualified.

10.3. If there are signs of unrealistic prices in the proposal, or if it is necessary to provide additional clarification, a due diligence may be carried out by the Bidding Commission, in accordance with §3 of Article 43, Law nº 8,666/93 (Brazil).

10.4. Once the price proposal which does not meet the requirements of the foregoing items is disqualified, the remaining proposals will be qualified from lowest to highest.

10.4.1. Should there be a tie among the proposals, a draw will be conducted. The names of the bidders that are tied will be placed in a sealed box, from which they will be drawn and classified on the basis of the order in which they were drawn.

10.4.2. After thirty minutes, the draw will be conducted, regardless of whether the companies or their representatives are in attendance.

10.5. Bidders will be notified of the results of bidding through either publication in a U.S. newspaper of national circulation, BACW's website, or other means, at sole discretion of BACW.

10.5.1. In the event that bidder representative attends the public meeting in which the decision was made, it will be communicated directly to the representative and recorded in the meeting minutes.


11. HOMOLOGATION AND ADJUDICATION


11.1. The bidding process will be submitted to the appropriate authority, who will proceed to ratify it and adjudicate the object to the winning bidder.

11.2. The adjudication will be based on the **LOWEST UNIT PRICE**.

12. CONTRACT

12.1. After the bidding is approved, the winning bidder (the "CONTRACTED PARTY") shall have **05 (five) business days**, from the date it is notified, to sign the Contract attached hereto as ANNEX III, under the penalty of losing the right to be hired as well as being subject to the


Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



sanctions set forth in this Invitation to Bid and any other penalties or damages available under applicable law.

12.1.1. The term provided for in the previous sub-item may be renewed for an additional five business days if requested by the CONTRACTED PARTY with good reason and accepted by the Administration (BACW) in its sole discretion.

12.2. The Administration (BACW) shall have the option to contact the remaining participants if the winning bidder does not sign the CONTRACT under the terms and conditions established, in accordance with the order of classification. It may do so under the same terms and conditions proposed by the winning bidder, including with regard to updated prices, pursuant to the invitation for bid.

12.3. The BACW may also revoke the bidding process at any time without penalty, notwithstanding anything else provided for in this Invitation to Bid.

12.4. By signing the CONTRACT, the CONTRACTED PARTY declares its express agreement with the adequacy of the BASIC PROJECT.

12.5. The CONTRACTED PARTY shall maintain all the conditions for qualification required in the bidding process, throughout the performance of the Contract, in accordance with the obligations assumed.

12.6. The CONTRACTED PARTY shall be responsible for any and all expenses arising from the Contract.

13. SUBCONTRACTING

13.1. In case there is sub-contracting, it shall abide by the following guidelines:

13.1.1. Sub-contracting may be authorized by the BACW's Chief, through the CONTRACT MONITOR.

13.1.2. Sub-contractor shall prove having the technical qualification to perform the services, even though, the responsibility for the quality of such services lies on the CONTRACTED PARTY.

13.1.3. In the event of sub-contracting, the CONTRACTED PARTY shall still bear full responsibility for full performance of the Contract, being responsible for supervising and coordinating the activities of the sub-contractor, as well as responding before the CONTRACTING PARTY for strict compliance with the Contract agreements related to the object that was subcontracted.

14. TERMS

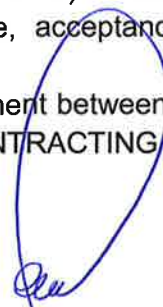
14.1. Term of Validity

14.1.1. The Contract's period of validity shall be 12 (twelve) months, starting on the date of its Signature, including its performance time, acceptance time and term established for the final payment.

14.1.2. The validity may be extended by mutual agreement between the parties for an additional equal period of 12 months, if it is in the CONTRACTING PARTY's interest, up to the overall limit of 60 months.



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



14.2. Term of Execution

14.2.1. The period of execution of the CONTRACT shall be 11 months for the first 12 months period, starting at the SERVICE ORDER issuance.

14.3. Acceptance Timeframe

14.3.1. The services shall be definitively received by COMREC, through a final Acceptance Receipt, signed by the parties within 10 (ten) days of written notification by the CONTRACTED PARTY.

14.3.1.1. Final acceptance does not exclude civil responsibility for the reliability and safety of the service, or ethical/professional responsibility for the perfect performance of the contract.

14.4. Payment Processing Time

14.4.1. Payment processing time for Commercial Invoices shall not exceed 30 consecutive days, starting on the date on which the Acceptance Receipt is issued, signed by COMREC, together with the delivery of cargo documentation to CTLA.

14.4.2. This term shall renew automatically for a 10 (ten) business days if there is any discrepancy noted by the INSPECTION and mandatorily notified in writing to the CONTRACTED PARTY.

14.4.3. Payment shall be made to the CONTRACTED PARTY, provided obligations are fulfilled in full by the delivery date associated with the invoice.

14.4.4. The CONTRACTED PARTY must submit to the CONTRACTING PARTY an INVOICE for the performance of the service within 10 (ten) days of cargo arrival in Brazil. The INVOICE must be issued in US Dollars.

14.4.4.1. The INVOICE submitted by the CONTRACTED PARTY must have a unique identification number and may not be repeated in later invoices. Duplicated invoices or those missing identification shall be rejected by the CONTRACTING PARTY.

14.4.4.2. The INVOICE must at least contain the following information:

14.4.4.3. INVOICE Number

14.4.4.4. Contract Number

14.4.4.5. Date of retrieval of cargo at ORIGIN.

14.4.4.6. Date of arrival at DESTINATION.

14.4.4.7. BACW Shipment Number through the HAZMAT SHIPMENT.

14.4.4.8. Unit Value per Range (R).

14.4.4.9. FIXED PACKAGING. DOCUMENTATION FEE (T-EP/DC), if applicable

14.4.4.10. Fuel Surcharge amount as per AWB.

14.4.4.11. UN Shipment cost

14.5. Delivery

14.5.1. Due to the nature of its application and the specificity of the materials, the cargo must be delivered at DESTINATION within a maximum timeframe of **10 (ten) calendar**

Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division

Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



days for HAZMAT and NON-HAZMAT transported in cargo aircraft, and 6 (six) calendar days for HAZMAT and NON-HAZMAT transported in passenger aircraft, starting on the date of the notification of the CONTRACTED PARTY by the CONTRACTING PARTY, through an email containing the HAZMAT SHIPMENT, Annex A, or the COMMERCIAL AIR SHIPMENT, Annex B, until the arrival date at Guarulhos International Airport (GRU).

14.1. Cargo Pick-up

14.1.1. The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty-four) hours.

14.1.1.1. Due to urgencies, the CONTRACTING PARTY, at its own discretion, may deliver the cargo at the CONTRACTED PARTY facilities.

15. FINANCIAL GUARANTEE

15.1. The provision of a Contract Guarantee shall be required from the CONTRACTED PARTY, in the amount of 5% (five percent) of the total maximum amount of the CONTRACT, within 10 (ten) business days from the signature of the CONTRACT, in order that the Service Order may be signed, and consequently, the execution of the CONTRACT can begin. The CONTRACTED PARTY can provide the Contract Guarantee, in U.S. dollars in the following modalities in the discretion of the CONTRACTING PARTY:

15.1.1. ILOC – Irrevocable Standby Letter of Credit, in form and substance acceptable to CONTRACTING PARTY, payable on demand issued by an internationally-recognized bank, acceptable to CONTRACTING PARTY in its reasonable discretion; or

15.1.2. Performance bond, in form and substance acceptable to CONTRACTING PARTY, and issued by an internationally-recognized bank acceptable to CONTRACTING PARTY in its reasonable discretion.

15.2. The Financial Guarantee must be valid throughout the term of the CONTRACT.

15.3. A Financial Guarantee that does not cover all the possible risks and losses associated with the performance of the CONTRACT will not be accepted.

15.4. If the amount of the guaranty is used, in whole or in part, the CONTRACTED PARTY must replenish that perspective amount within 5 (five) business days, from the date it is notified.

15.5. After the completion of the CONTRACT, when regular compliance of all obligations of the CONTRACTED PARTY is verified, the guaranty provided by the CONTRACTED PARTY shall be released and returned.

16. CHANGES TO THE CONTRACT

16.1. Pursuant to Article 65, § 1, of Law nº 8.666/93 (Brazil), a CONTRACTED PARTY is required to accept, under the same terms and conditions, any changes involving addition or subtraction the amount of the demand for the services, that may be necessary, at the discretion of BACW, up to the limit of twenty-five percent (25%) of the original total amount of the Contract.

Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division

Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



16.1.1. Since the demands are estimated due to the characteristics of the OBJECT of this CONTRACT, reductions in the amount that exceeds the limit of twenty-five percent (25%) of the Contract may occur during the performance of the CONTRACT at CONTRACTING PARTY'S sole discretion.

16.1.2. The set of increases and the set of decreases shall be calculated based on the original shipments of, or services to be provided under, the Contract, on a case by case basis, without any sort of compensation up to the limits established above.

17. PRICE ADJUSTMENT

17.1. All price installments may be adjusted, through a formal proposal from one of the Parties mentioned in the CONTRACT and only after 12 months have expired from the deadline for the submission of proposals referenced in this INVITATION FOR BID or from the last adjustment; however, adjustments must be preceded by indicators/indices supporting the new, updated prices, and a cost table must also be submitted at this time.

17.2. In all adjustments following the first one, the annual term shall be counted from the last completed adjustment.

17.3. Adjustments shall be preceded by a request from the CONTRACTED PARTY, supported by an analytical demonstration for cost alteration, via the submission of a cost table and price formation, as well as the new agreement or collective stipulation on which the adjustment is based.

17.4. It is forbidden to include, at the time of adjustment, benefits which were not contemplated by the initial proposal, except when they become mandatory through the application of a legal document, normative sentence, collective agreement or collective stipulation.

17.5. At the time in which an adjustment is requested, it shall only be granted through negotiation between the parties, considering:

17.5.1. Normal Market prices and those applied in other contracts executed by the Administration;

17.5.2. The peculiarities of the contract in effect;

17.5.3. New agreement or collective stipulation of professional categories;

17.5.4. New table showing cost variation;

17.5.5. Sector indicators, manufacturer tables, official reference amounts, public tables or other equivalent amounts; and

17.5.6. The CONTRACTED PARTY'S budget availability.

17.6. The decision regarding the request for adjustment must be reached within a deadline of 60 (sixty) days, starting from the date on which proof of cost variation has been delivered.

17.7. In case of adjustment, an amendment to the existing contract shall be executed.

17.8. The term referenced in the above paragraph shall be suspended until the CONTRACTED PARTY fulfills its tasks or delivers the documentation requested by the CONTRACTING PARTY to prove cost variation.

17.9. The CONTRACTING PARTY may submit requests for clarification to verify cost variation claimed by the CONTRACTED PARTY.



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



17.10. The submission of an adjustment proposal by the CONTRACTED PARTY does not obligate acceptance by the CONTRACTING PARTY, which may refuse the proposal.

17.11. Should the CONTRACTED PARTY not present duly justified indices, the maximum adjustment amount shall be, or equate to the variation in the CPI (Customer Price Index, issued by the Bureau of Labor Statistics – BLS – issued by the U.S. Bureau of Labor).

18. PAYMENT

18.1. The deadline for payment shall be within thirty (30) calendar days from the date the term of receipt is issued by the Receipt Commission

18.2. An Invoice shall be issued by the CONTRACTED PARTY in accordance with the following procedures:

18.2.1. Payment shall only be made, after the appropriate official's "approval" of the Invoice provided by the CONTRACTED PARTY.

18.2.2. The "approval" of the Invoice is contingent upon verification of compliance of the Invoice submitted by the CONTRACTED PARTY with the services that were actually performed;

18.2.3. In the event of any mistake in submitting any of the documents required under the previous sub-items or of a situation that prevents fees from being paid, the payment shall remain pending until the CONTRACTED PARTY takes steps to remedy the situation. In this case, the deadline for payment shall take effect after it is verified that the situation has been solved, without any costs to the CONTRACTING PARTY.

18.3. Payment shall be made through a bank order of credit, deposit in a bank account, at the branch or bank agency indicated by the CONTRACTED PARTY, or through any other means provided for under the legislation in effect.

18.4. The date of payment shall be considered the date when the bank order of payment is actually made.

19. MONITORING

19.1. The MONITOR must be an agent or agents of the Administration, specifically appointed by the Administration.

19.2. Monitoring of contractual fulfillment consists in verifying the conformity of the services and the allocation of the necessary resources.

19.3. Verification of adequate contractual fulfillment must be performed based on the criteria established in the BASIC PROJECT and in accordance with contractual terms.

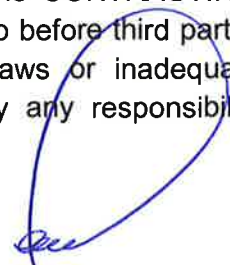
19.4. Contractual performance must be monitored and inspected through oversight instruments including monitoring of the fulfillment of the obligations arising from this CONTRACT.

19.5. The MONITOR shall note in his records all events related to the performance of the Contract.

19.6. The monitoring of contractual performance carried out by the CONTRACTING PARTY does not eliminate the CONTRACTED PARTY'S responsibility, also before third parties, due to any irregularity, even if arising from technical imperfections, flaws or inadequate use of equipment, and when these incidents occur, they do not imply any responsibility by the CONTRACTING PARTY, its representatives or employees.



Renato Alves de Oliveira, Lt Col
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Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



19.7. For the purposes of this CONTRACT, events shall be considered unforeseeable or caused by force majeure if they fit to legal description provided in single paragraph of article 393 of the Brazilian Civil Code, or terms of line II, §1º, Art. 57 of Federal Law nº 8.666/93 (Brazil).

19.8. The MONITOR should, additionally, abide by the following processes:

19.8.1. Monitor the development of all services requests issued to the CONTRACTED PARTY;

19.8.2. Monitor the development of all services until their receipt by CTLA and CABW;

19.8.3. Submit for evaluation by the EXPENSE SUPERVISOR all proposals, questioning, discrepancies and difficulties encountered during contractual performance or those requiring approval and/or decision;

19.8.4. Receive INVOICES, compare them with the amounts established in the CONTRACT, certify them and forward them to the EXPENSE SUPERVISOR for approval;

19.8.5. All INVOICES must be service invoices, detailing- at the very least- unit and total amounts for each cost, duty amounts charged, PROCESSING costs and discounts offered, cargo weight and volume and FAB's request number. All supporting documentation must be attached to the INVOICE for validation by COMREC;

19.8.6. If there are other inputs which may influence cost, these must be detailed;

19.8.7. Issue, until the fifth day of the following month, a Contract Status Report for the Administration.

20. RECEIPT OF THE OBJECT

20.1. The services that are the object of the CONTRACT shall be received by the Receiving Commission in accordance with the specifications set forth in the Basic Project, Annex I of this Bid Announcement.

20.2. It is the responsibility of the RECEIVING COMMISSION to:

20.2.1. Ensure that the CONTRACTED PARTY will follow the description of all the services that are the object of the BASIC PROJECT;

20.2.2. Receive services or reject them according to the specifications set forth in the BASIC PROJECT, in up to ten (10) calendar days;

20.2.3. Once approved, the invoices are sent to BACW's Contract Department, and

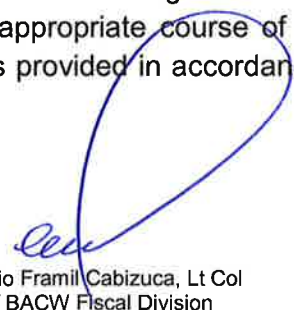
20.2.4. All proposals, questions, discrepancies and difficulties encountered during the execution of the CONTRACT, or that require an evaluation shall be presented to the CONTRACT MONITOR for approval and/or a determination must be approved by the Chief of BACW.

21. ACTS OF GOD OR FORCE MAJEURE

21.1. Unforeseeable events or force majeure events must be notified in writing to the Chief of the BACW, through the MONITOR, so that he may decide the appropriate course of action, provided it is proven that such events affect the services/materials provided in accordance with the OBJECT of the present CONTRACT.



Renato Alves de Oliveira, Lt Col
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Chief of BACW Fiscal Division



21.2. For the purposes of the present CONTRACT, events shall be considered unforeseeable or force majeure, if they fit the legal description provided in the single paragraph of Art. 393 of the Brazilian Civil Code, or according to the terms of item II, §1º, Art. 57 of Law Nº 8.666/93.

22. OBLIGATIONS OF THE CONTRACTING PARTY AND THE CONTRACTED PARTY

22.1. The obligations of the CONTRACTING PARTY and CONTRACTED PARTY are established in the BASIC PROJECT, and other obligations provided for in this Invitation to Bid.

23. TERMINATION OF THE CONTRACT

23.1. The causes for termination of the Contract, as well as appropriate steps in that case, are provided for in the Contract.

24. BUDGETARY ALLOCATION

24.1. Financial resources shall be drawn from Program 0621 (Preparation and Utilization of Air Force), Action 2048 (Maintenance and Supply of Aeronautical Materials), Expenditure Item 339039, or any other Programs or Actions which may provide such support, given that the transportation and customs clearance in question shall serve all of the Brazilian Air Force's Systems

25. VIOLATIONS AND ADMINISTRATIVE SANCTIONS

25.1. For the application of administrative sanction the following must be taken into account: gravity of flaw, the relapse, damage caused to Public Interest, and loss to Administration.

25.2. Failure to fulfill CONTRACT in full or in part, or violation of any of the obligations contained in the CONTRACT and this INVITATION FOR BID, shall subject the CONTRACTED PARTY, without limiting CONTRACTED PARTY'S liability to other criminal and civil penalties, and to any and all other contractual damages and recourses available to the CONTRACTING PARTY under the CONTRACT or applicable law, ensuring due legal process, to the following penalties:

25.2.1. A Warning is an administrative sanction applied when the CONTRACTED PARTY infringes, for the first time, obligations connected to delay in contractual terms or submission of a commercial invoice with an inaccuracy, or due to non fulfillment of guidelines received from monitoring team within 48 (forty-eight) hours after notification by the MONITORING team. In order to enforce the Warning, a PAAI must be filed.

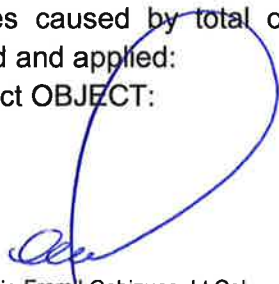
25.2.2. The Warning must not be proposed for relapse cases of the same kind as non fulfillment of contractual obligation.

25.2.3. The FINES referenced in item II, Art. 87 (fines caused by total or partial contract inexecution), of Law nº 8.666/93, may be defined and applied:

25.2.3.1. Due to total or partial inexecution of Contract OBJECT:



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Fram Cabizuca, Lt Col
Chief of BACW Fiscal Division



25.2.3.1.1. A fine may be applied due to partial inexecution of adjustment in the amount 0.2% (point two percent) of CONTRACT amount, should the CONTRACTED PARTY not fulfill any condition established in the CONTRACT; and

25.2.3.1.2. If the CONTRACTED PARTY causes termination of the contract, a fine shall be applied for total inexecution of contract in the amount of 10% (ten percent) of updated CONTRACT amount, without excluding arrears or other sanctions addressed by Art. 87 da Lei nº 8.666/93.

25.3. Notwithstanding the interested party's right to a fair defense, within 5 (five) business days, the fine for total or partial inexecution of CONTRACT shall be applied, together with the administrative sanctions set forth in items I, III and IV, Art. 87, of Law Nº 8.666/93.

25.4. The BACW must inform the CONTRACTED PARTY of the value to be collected, after all administrative recourses have been exhausted, after guaranteeing the right to ample defense, while the CONTRACTING PARTY must detract the amount for expired installments.

25.4.1. If payment is not extinguished in the form described in previous items, subtraction of the fine due shall be encouraged, activating contractual guarantee.

25.5. After the actions set forth in previous items, in case the fine is still unpaid, the Disbursement Officer (main or deputy) of the BACW, when applicable, shall forward the Process to the National Treasury's Attorney-General's Office (PGFN), for analysis and registration of sanctioned company in the Union's Active Debt [registry] (DAU) and/or enable legal action, based on relevant amount.

25.6. Application of a fine does not exempt the CONTRACTED PARTY from compensating CONTRACTING PARTY for any and all damages, losses and casualties which it may have caused the Administration or CONTRACTING PARTY, nor does it exclude the possibility of applying other administrative penalties or fines.

25.7. The application of the fines set forth in the previous items may be appealed within 5 (five) business days.

25.8. Temporary suspension from participating in bids or debarment from contracting with the Administration shall be applied- within the COMAER's scope, with the following gradation:

25.8.1. For up to 30 (thirty) days:

25.8.1.1. Non fulfillment of scheduled deadline for taking corrective measures, upon application of warning sanction; and

25.8.1.2. In case of disruption of any action in the bid open session.

25.8.2. For up to 3 (three) months:

25.8.2.1. If the proposal is withdrawn, without the occurrence of an unforeseen event;

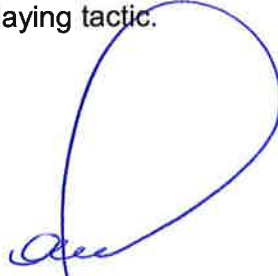
25.8.2.2. If it is claimed the prices offered cannot be honored;

25.8.2.3. If an appeal is submitted as an obvious delaying tactic.

25.8.3. For up to 6 (six) months:



Renato Alves de Oliveira, Lt Col
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25.8.3.1. If the winning bidder, summoned within his/her proposal's valid period, refuses to sign or accept the contract, or if he/she withdraws an equivalent instrument;

25.8.3.2. In the absence of contractual financial guarantee, in the terms of the INVITATION FOR BID;

25.8.3.3. In case of relapse in the practice of an illicit act, which may be sanctioned as per points "25.8.1" and "25.8.2" of this item during a timeframe shorter than 24 (twenty-four) months;

25.8.3.4. In the application of a second administrative sanction to this contract;

25.8.3.5. In the application of two administrative warning sanctions and one fine, within the COMAER's scope, within a 12 (twelve) month timeframe, during which time the supplier has not taken corrective measures in the terms prescribed by the Administration; and

25.8.3.6. In the application of two administrative fine sanctions within the COMAER's scope, within a 12 (twelve) month period, during which time the supplier has not taken the corrective measures prescribed by the Administration;

25.8.4. For up to 12 (twelve) months:

25.8.4.1. When the CONTRACTED PARTY unduly delays service performance, resulting in contract rescission;

25.8.4.2. When the CONTRACTED PARTY does not extinguish/pay the fine within the deadline, in the situations in which it is not possible to detract its amount from the warranty or from the credit resulting from completed installments; and

25.8.4.3. In case of relapse in non-fulfillment subject to sanctions as per point "25.8.3", during a timeframe shorter than 36 (thirty-six) months;

25.8.5. For up to 24 (twenty-four) months:

25.8.5.1. In case an illicit act is committed, for the purpose of impeding Bid fruition; such as a the creation of a cartel or collusion;

25.8.5.2. If "fraudulent", "adulterated", "fake" or "falsified" documents are submitted;

25.8.5.3. In case of "false testimony";

25.8.5.4. If case of final sentencing of an illicit act of fiscal fraud in the collection of taxes related to the contract;

25.8.5.5. If services are interrupted without a valid cause and without prior notification to the Administration;

25.8.5.6. If "falsified" or "adulterated" material is delivered and tricks are used to deceive the Administration;

25.8.5.7. If the contract is not fulfilled, causing serious damages to the Administration; and

25.8.5.8. In case of relapse in non-fulfillment subject to sanction in accordance with point "25.8.4", over a timeframe shorter than 48 (forty-eight) months



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Chief of BACW Fiscal Division



25.9. For the purposes of the terms set forth in this INVITATION FOR BID, as regards application of an administrative sanction temporarily suspending company from participating in bids, and entering into a contract with the Administration, the term "Administration" should be interpreted as COMAER.

25.10. Failure to fulfill the contract shall be characterized as not rendering the service in accordance with the technical specifications contained in this INVITATION FOR BID.

25.11. Inappropriate behavior shall be characterized as any intentional conduct aiming to trick or corrupt the Administration, or any of its employees, for the purpose of obtaining undue advantage.

25.12. The Formal Internal Administrative Process [PAAI] issuing the Certificate of Unfitness shall be forwarded to the State Minister of Defense, through the appropriate chain of command after an opinion is issued by COJAER, given the State Minister's exclusive competence to apply the sanction. The sanction shall be applied in any of the situations below:

25.12.1. If the company or professional have been definitively sentenced for illicitly committing fiscal fraud in collecting any taxes;

25.12.2. If the company or professional committed an illicit act for the purpose of preventing Bid fruition;

25.12.3. If the Administration should find that the company or professional are not qualified to enter into a contract due to illicit acts committed; or

25.12.4. If proof of fraud is ascertained, by the Union's Court of Auditors in the bid.

25.13. The criteria for a Certificate of Unfitness, which may not exceed a 5 (five) year timeline, in accordance with the legislation in effect, shall be remitted to COJAER, for further forwarding to the State Minister of Defense. Rehabilitation for this sanction may be requested by the interested party after 2 (two) years have lapsed from its application.

25.14. In the document containing the Certificate of Unfitness, a recommendation shall be made for the sanction, which must show, in the respective PAAI, the amount to be reimbursed for the purpose of rehabilitation, with due legal increments and possible obligations.

26. APPEALS

26.1. The Administration's (BACW's) actions, during this bidding process, may be subject to appeal as follows:

26.1.1. Appeals to the BIDDING COMMISSION (CPL) within two (2) business days, starting on the day of notification or filing of meeting minutes, in case:

26.1.1.1. The bidder is qualified or disqualified;

26.1.1.2. Judgement of proposals;

26.1.1.3. Annulment or revocation of Bid;

26.1.1.4. Rejection of entry, alteration or cancellation request in Registration Records;

26.1.1.5. Rescission of CONTRACT, referring to item I of Art. 79 of Law Nº 8.666/93;

26.1.1.6. Application of warning penalties, temporary suspension or fine.



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26.2. If a bidder files an appeal, the other bidders shall be informed so that they may submit counter-arguments within a **2 (two) business day timeframe**.

26.3. The appeal must be addressed to a higher-ranking authority, through the Bidding Commission, which may reconsider its decision within **5 (five) business days**.

26.3.1. If it does not accept the arguments presented in the submitted appeal, the higher-ranking authority must forward the appeal to the authority above it, for due assessment within a **5 (five) business day timeframe**, which shall be duly notified.

27. GENERAL PROVISIONS

27.1. Any doubts arising from the provisions of this Invitation For Bid may be the subject of consultation, in writing, with the Bidding Commission in charge of this bidding process, up to 48 hours before the delivery of the proposals.

27.1.1. All questions will be consolidated and answered in writing after the deadline for consultation has elapsed. A circular communication will be posted by the Bidding Commission and forwarded to the interested parties that have provided an e-mail address.

27.2. The interested party shall carefully review the Invitation to Bid and its Annexes, as well as all the instructions, terms and conditions, and technical specifications presented, and become familiar with all circumstances or details that may affect the assessment of costs and the terms involved in performing the object of this bidding process.

27.3. Each bidder shall be responsible for all costs associated with the preparation and presentation of its proposal. The Administration (BACW) shall not in any way be responsible for those costs, regardless of the proceedings and outcomes of the bidding process.

27.4. Participation in this bidding process implies full acceptance of the terms and conditions established in this Invitation For Bid and its Annexes, as well as with the requirement to comply with the provisions herein.

27.5. Any changes or amendments to this Invitation For Bid will require its dissemination in the same publication that the original Invitation was posted, with the initial term being postponed, except when the changes do not in any way affect the formulation of proposals.

27.6. If it is not a business day or if there is any event that prevents the bidding process from being held on the scheduled date, the session will be automatically rescheduled to the following business day at the same time and place previously indicated, unless communicated otherwise by the Bidding Commission.

27.7. In any stage during the bidding process, the Bidding Commission or the BACW's Chief may promote diligence intended to clarify or complement the process, provided it does not involve the later inclusion of any document or information that should be made available at the public bidding session.

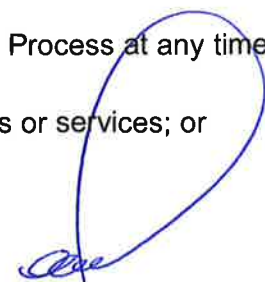
27.8. The approval of the outcome of this bidding process does not imply a right to being contracted.

27.9. The BACW reserves the right to revoke or annul the Bidding Process at any time in cases clearly in the public interest, e.g.:

27.9.1. Where there is no longer a requirement for the supplies or services; or



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27.9.2. Where amendments to the invitation would be of such magnitude that a new invitation is desirable.

27.10. If this Invitation For Bid is cancelled, bids that have been received shall be returned unopened to the bidders and notice of cancellation shall be sent to all prospective bidders to whom invitations were issued.

27.11. Preservation of the integrity of the competitive bid system dictates that, after bids have been opened, award should be made to that responsible bidder who submitted the lowest responsive bid, unless there is a compelling reason to reject all bids and cancel the Invitation.

27.11.1. Invitations may be cancelled and all bids rejected before award but after opening, only when formally and in writing, by the Chief of the BACW, in the following circumstances:

27.11.1.1. Inadequate or ambiguous specifications were cited in the Invitation;

27.11.1.2. Specifications have been revised;

27.11.1.3. The supplies or services being contracted for are no longer required;

27.11.1.4. The Invitation did not provide for consideration of all factors of cost to the Government;

27.11.1.5. For other reasons, cancellation is clearly in the Brazilian public's interest;

27.12. The terms established in this Invitation For Bid and its Annexes do not include the first day, but include the last day. Deadlines shall fall on regular business day for the Administration (BACW).

27.13. The rules which govern the bidding process shall always be interpreted so as to increase competition among the bidders, provided that it does not jeopardize the interest of the Administration (Brazilian Public Administration), or the principles of equal rights, the purpose and security of the contracting.

27.14. In the event of discrepancies between the provisions of this Invitation For Bid and the other documents of the bidding process, the Invitation For Bid will prevail, with the exception of the CONTRACT executed by the winning bidder (CONTRACTED PARTY) shall govern its relationship with the BACW.

27.15. The invitation For Bid and its Annexes may be read and/or obtained at BACW at the address indicated below, during business days, from 8:30 a.m. to 11:30 a.m., and 1:30 p.m. to 3:00 p.m (EST).

27.16. The records of this administrative proceeding will remain available to all interested parties at the agency located at the address below, during business days from 8:30 a.m. to 11:30 a.m., and 1:30 p.m. to 3:00 p.m. (EST), after previously scheduled time.

1701 22nd St N.W.

Washington, D.C. 20008

Ph.: (202) 483 4031

Fax: (202) 483 4684

E-mail: con@cabw.org



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27.17. The United States District Court for the District of Columbia or the Superior Court in Washington, D.C., shall be the court in which any action or proceedings that might arise in connection with the bidding process must be filed and adjudicated, and the parties irrevocably submit to the exclusive jurisdiction of such court. This Invitation For Bid and the bidding process shall be construed and interpreted in accordance with the principles of Brazilian Law N° 8,666/93 and any other applicable laws and regulations of the Federative Republic of Brazil, and shall be governed by and enforced in accordance with the laws of the District of Columbia.

27.18. It is hereby agreed by the parties that the language of this Invitation to Bid, for the purpose of documentation, correspondence, and any other interests shall be **ENGLISH**.

Washington, D.C., January 30th 2019.

Approved by:

RENATO ALVES DE OLIVEIRA Lt Col
Chief of BACW Bidding and Contracts Division

MARIO EMILIO FRAMIL CABIZUCA Lt Col
Chief of BACW Fiscal Division



**MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.**

BASIC PROJECT 042/MAT/2018

Legal basis: Prepared on the basis of the premises contained in Art. 123 of Law nº 8.666/1993.

INDEX

1. PREAMBLE	2
2. OBJECT	5
3. JUSTIFICATION	6
4. SERVICE SPECIFICATION	7
5. ENFORCEMENT REGIME	11
6. PRICE PROPOSAL	11
7. SUBCONTRACTING	12
8. TERMS	13
9. PRICE ADJUSTMENT	14
10. MONITORING	15
11. RECEIPT OF THE OBJECT	16
12. OBLIGATIONS	16
13. PERFORMANCE LOCATION	17
14. ESTIMATED BUDGET	17
15. BUDGET ALLOCATION	17



1. PREAMBLE

1.1. Transportation is one of the main logistic functions in the supply chain and its importance is basically connected to timelines and choice of location. Since the beginning, transportation of goods has been effected to make products available where potential demand lies, within an adequate timeframe for the end user's needs- as for the Brazilian Air Force, of Military Organizations.

1.2. Even with technological improvements, which allow the exchange of information in real time, transportation continues to be indispensable in the fulfillment of the logistic goal, which is to have the right product, in the right amount, at the right time, in the right location at the lowest possible cost (principles of cost-effectiveness and expediency)

1.3. Within this range, as defined by ROCA 21-5/2015, the goal of the Brazilian Aeronautical Commissions (BAC) abroad, of the Aeronautical Command Organizations (COMAER) is to centralize, within their operating field, the service and support logistic activities, among them the procurement and purchase activities for goods and services related to logistic operations for aeronautical material, material of military relevance, and for the receipt and delivery or purchased items.

1.4. During its sixty-nine years of existence, the Brazilian Aeronautical Commission in Washington has become a key component in the Brazilian Air Force's Logistic Command, helping the Brazilian Air Force (FAB) to keep its assets in their best operational condition.

1.5. In order to maintain the fleet in an operational status, thus to avoid interruptions in the transportation of material, the need has arisen to hire a company with the ability to provide emergency transportation services for dangerous materials classified as HAZMAT- and non-dangerous material from the BACW to the Military Organizations (OM) in Brazil to the Guarulhos International Airport (GRU). It should be noted that the transportation of this type of material may be subject to special transportation requirements and that its transportation exclusively by Brazilian Air Force aircrafts would be very costly to the Administration.

1.6. Therefore, taking into account the principle of cost-effectiveness, and for the purpose of maintaining the fleet, it is necessary to contract a company with the ability to provide adequate transportation for HAZMAT-type material and non-hazmat type material in an emergency basis.

1.7. The purpose of this BASIC PROJECT is to introduce the set of necessary and sufficient elements, with the necessary degree of precision, to define the service, OBJECT required by the Administration, which shall be incorporated in the Administrative Management Process ('PAG') addressing the contracting of air transportation services for goods, from the BACW (Brazilian Aeronautical Commission in Washington, D.C.), from the Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748 USA) or within up to 40 miles of the warehouse to the International Guarulhos Airport (GRU), for an initial 12 (twelve) month term, starting on the date of contract execution, which may be extended up to 60 months. The estimated duration of 12 (twelve) months of contractual activity is based on services performed in recent years, as well as on estimated future demand. However, such an estimate does not imply any right for the CONTRACTED PARTY to perform the entirety of the estimated quantity, should the CONTRACTING PARTY request, within the 12-month term, a smaller than estimated amount. Only those services which


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are truly required for the CONTRACTING PARTY'S Logistic Support shall be requested, and payment shall be due to the CONTRACTED PARTY further to the completion of each service.

1.8. DEFINITIONS:

1.8.1. In order to facilitate the comprehension of terminology and to simplify text composition, the following abbreviations and expressions were adopted, followed by their definitions hereafter:

1.8.1.1. AES or AUTOMATED EXPORT SYSTEM – System used by US exporters to electronically file their exports, known as Electronic Export Information (EEI). This information is also shared with the Bureau of Industry and Security, with the Directorate of Defense Trade Controls or other federal agencies involved in the monitoring and approval of US exports.

1.8.1.2. ANSI or AMERICAN NATIONAL STANDARDS INSTITUTE – American organization responsible for standardization.

1.8.1.3. AWB or AIR WAYBILL – Knowledge of the cargo which constitutes the airway bill of lading. Document issued by the transportation agent or by the transportation company itself. It shows the owner of the exported cargo as well as its consignee. The following information must be included in this document: the recipient, the consignee, who must be notified of cargo arrival, type of cargo, quantity, weight, type of stowage, container number, seal or stamp number, a statement of cargo loaded, freight payment modality, among other data.

1.8.1.4. BP or BASIC PROJECT- As per Brazilian Law 8.666, dated June 21, 1993, the set of necessary and sufficient elements, with the necessary degree of precision, to define the project, service or body of work, which will constitute the Bid Subject. It is drafted based on the suggestions drawn from preliminary technical studies, which ensure technical feasibility and adequate treatment of the project's environmental impact, as well as evaluating the project or service's costs, defining the methods and terms for its performance.

1.8.1.5. CELOG – Brazilian Air Force Logistic Center;

1.8.1.6. COMAER – Brazilian Aeronautical Command;

1.8.1.7. COMREC - Goods and Services Receiving Commission;

1.8.1.8. CONTRACTED PARTY – the natural person or legal entity contracted to perform the services;

1.8.1.9. CONTRACTING PARTY- Brazilian Aeronautical Commission in Washington, DC (BACW);

1.8.1.10. CTLA – Aeronautical Center for Transportation Logistics ('Centro de Transporte Logístico da Aeronáutica'). It is located at Est Alfredo Rocha, 495 - Ilha do Governador | Rio de Janeiro - RJ | CEP: 21941-580 - Brazil.

1.8.1.11. DAT or Delivered at Terminal- It is an INCOTERM 2010 Modality. For the purposed of this Contract, it shall be **Guarulhos International Airport (GRU)**, in the state of São Paulo, Brazil.

1.8.1.12. DESTINATION- Guarulhos International Airport (GRU) - Rod. Hélio Smidt, s/nº - Cumbica, Guarulhos - SP, 07190-100, Brazil.

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- 1.8.1.13.** DOT or DEPARTMENT OF TRANSPORTATION – US government body responsible for the transportation system
- 1.8.1.14.** EEI or Electronic Export Information – It is the AES Information log for goods to be exported- that is, a Goods Export Declaration Record.
- 1.8.1.15.** EXPENSE CONTRACT or CONTRACT- The Agreement which the Public Administration (CONTRACTING PARTY), acting as such, signs with a private person or other Administrative Entity (CONTRACTED PARTY), for the performance of the services in question and under the conditions set forth by the Public Administration itself.
- 1.8.1.16.** EXPENSES SUPERVISOR- Administration Agent with the authority to perform acts resulting in funds citations, authorize payment, supply of funds, estimate approval, among other actions.
- 1.8.1.17.** FAB – Brazilian Air Force
- 1.8.1.18.** FIXED PACKAGING. DOCUMENTATION FEE – CONTRACTED PARTY'S Fixed Fee for the packaging correcting processes and//or HAZMAT documentation.
- 1.8.1.19.** HAZMAT SHIPMENT - Document issued by the CONTRACTING PARTY containing information about the items to be shipped.
- 1.8.1.20.** HAZMAT or Hazardous Material – Material is classified as HAZMAT when it is governed by specific control regulations, such as any item or (biological, chemical, radiological or physical) agent, which may potentially cause harm to human beings, animals or to environment, by itself or through interaction with other factors. Managing this type of material includes all management of its life cycle from the planning and development of new products, production, distribution, storage, transportation, use, cleaning and elimination.
- 1.8.1.21.** IATA DANGEROUS GOOD DECLARATION or IATA DGD – It is a document issued by a shipper (BACW Supplier) to certify that a dangerous good (Hazardous Material) was packaged, labeled and declared in accordance with international air transportation regulations.
- 1.8.1.22.** ICA – Aeronautical Command Directive;
- 1.8.1.23.** ICA 12-23/2014 – Aeronautical Command Directive on the Inspection and Acceptance of Goods and Services and application of administrative sanctions.
- 1.8.1.24.** ICA 65-8/2009 –Aeronautical Command Directive on the responsibilities of the INSPECTORS AND COMREC.
- 1.8.1.25.** ICC or INTERNATIONAL CHAMBER OF COMMERCE – International Commerce body, acting to promote international commerce.
- 1.8.1.26.** INCOTERMS 2010 or International Commercial Terms– International Purchase Terms published in 1936. For the purpose of enabling the standardization and correct interpretation of transfer or responsibility, costs and risks in international contracts, signed between exporters and importers.
- 1.8.1.27.** INVOICE – Commercial document formalizing an act of purchase and sale abroad, which must contain- among other information- the following data: supply quantity, supply unit, price, payment terms, taxes, duties and FAB Purchase Order Number.

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- 1.8.1.28.** MO - Military Organization;
- 1.8.1.29.** MONITOR- the individual or commission representing the CONTRACTING PARTY before the CONTRACTED PARTY, appointed to systematically monitor the fulfillment of contractual terms and complementary orders issued by the Government, in all their aspects;
- 1.8.1.30.** ORIGIN- BACW (Brazilian Aeronautical Commission in Washington D.C.), the BACW's Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748, USA), or other location within 40 miles of the BACW's Warehouse.
- 1.8.1.31.** PACKAGING / DOCUMENTATION Packaging correction cost or HAZMAT documentation
- 1.8.1.32.** PAG – Administrative Management Process; and
- 1.8.1.33.** PROCESSING- It is an administrative fee to be paid by the CONTRACTING PARTY for the processing of profit and costs by the CONTRACTED PARTY.
- 1.8.1.34.** STORAGE- Organized safekeeping of adequately preserved goods, in warehouses, on shelves- whether separated in sections or not, or in marked open areas, due to the type, dimension and nature of the goods and its packaging; all such locations must be adequately marked, grouping together items of a similar nature.
- 1.8.1.35.** TERM OF RECEIPT – Document issued by the COMREC attesting and accepting services performed.
- 1.8.1.36.** UN Code – “Dangerous goods are assigned to UN numbers and proper shipping names according to their hazard classification and their composition.” (ST/SG/AC.10/1/Rev.17 (Vol.I))

2. OBJECT

2.1. Contracting of a specialized company for the transportation services for goods, from the BACW (Brazilian Aeronautical Commission in Washington, D.C.), from the Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748 USA) or within up to 40 miles of the warehouse to the Guarulhos International Airport (GRU), by air, with commercial rights and obligations between the Parties being governed by DAT (Delivered at Terminal) and INCOTERMS 2010 (ICC Publication n° 744. 2013 Edition)

2.1.1. In the above mentioned INCOTERMS cargo insurance (cost definition) shall not be taken into account, as the CONTRACTING PARTY already has such a contract in place

2.2. For logistic purposes, the object of this BASIC PROJECT shall be divided into HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, in accordance with transportation regulations, and NON-HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, as per the following table:

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HAZMAT									
Aircraft Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Passenger	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
Cargo									

NON-HAZMAT									
Aircraft Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Passenger	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
Cargo									

3. JUSTIFICATION

3.1. It becomes necessary to contract a specialized company for the provision of commercial air transportation of material classified as HAZMAT and NON-HAZMAT, to support the FAB's air activities, given that the Brazilian Aeronautical Commission in Washington is responsible for the purchase and distribution of all material, equipment, publications and technical documentation acquired in the United States, for all of the Brazilian Air Force's Systems. Furthermore, in order to maintain the Air Fleet operational, and to avoid any interruption in service, it has become necessary to contract a company with the ability to provide transportation services for dangerous goods classified as HAZMAT and NON-HAZMAT to the International Guarulhos Airport (GRU). It should be noted that the transportation of this type of goods may be subject to special transportation conditions, and must be performed by companies specialized in this type of service. Should this service be performed by FAB aircraft alone, it would be very costly and expensive, demanding extensive human resources, such as aircraft crew, technical cargo staff, in addition to fuels costs and per diem for international travel, whose frequency would occur almost on a monthly basis.

3.2. In addition to the exposed, there is the urgency of certain goods for the maintenance of the aircraft which make up the FAB's fleet, whose unavailability directly impacts the Air Force's missions

3.3. Therefore, considering the principle of cost-effectiveness, specificity in the management of HAZMAT and NON-HAZMAT items and maintenance of fleet availability, it becomes necessary to contract a company with the ability to provide adequate transportation services for the International Guarulhos Airport (GRU).

3.4. Under these circumstances, it is deemed justifiable to outsource such services in order to supply the necessary means for the delivery of the goods contemplated by this BASIC PROJECT. The outsourcing of services, therefore, becomes a necessity, as an essential means enable the fulfillment of the annual plan of air activities established for the fleet by the Aeronautical Chief of Staff (EMAER).

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4. HISTORIAL DEMAND

4.1. In order to provide with a realistic demand for bidders to submit a price proposal, the Material Department (SMAT) of the Brazilian Aeronautical Commission presents the demands of shipment from 2017 calendar year that were emergencies to be delivered at the Brazilian State of São Paulo.

Q VOL		Type	KG
553	12,5 %	AIR COMERCIAL DESTINY SP	14.424
4.412	100 %	AIR COMERCIAL TOTAL	52.756

4.2. The historical demand presented above does not imply any right for the CONTRACTED PARTY to perform the entirety of the estimated quantity, should the CONTRACTING PARTY request, within the 12-month term, a smaller quantity than estimated amount.

5. SERVICE SPECIFICATION

5.1. The products involved in the services contemplated by this BASIC PROJECT refer to materials classified as NON-HAZMAT and HAZMAT [hazardous materials- explosives (classes 1.4 to 1.6 and their sub-classes), toxic, flammable material, etc.], as per the definition provided in Section IV of the IATA (INTERNATIONAL AIR TRANSPORTATION ASSOCIATION), in addition to the aircraft's engines, components, ground support equipment, flight protection equipment and aviation supplies in general.

5.2. Except *Foreign Military Sales (FMS)*, all cargo that is object of this BASIC PROJECT shall be transported from the United States directly to Brazil. Furthermore, flight connections are allowed in those two countries.

5.3. **Due to the necessity of transporting *Foreign Military Sales (FMS)* cargo, the BIDDERS are required to present on the qualification phase of the bidding process a document proving that the company has authorization from the U.S. authority to transport such material.**

5.4. Requests to perform services shall be issued by the CONTRACTING PARTY, by email, so as to document the need, and shall always be accompanied by the HAZMAT SHIPMENT, provided in Annex A, or COMMERCIAL AIR SHIPMENT, Annex B, authorizing the provision of the service by the CONTRACTED PARTY.

5.5. Due to the nature of its application and the specificity of the materials, the cargo must be delivered at DESTINATION within a maximum timeframe of **10 (ten) calendar days for HAZMAT and NON-HAZMAT transported in cargo aircraft**, and **6 (six) calendar days for HAZMAT and NON-HAZMAT transported in passenger aircraft**, starting on the date of the notification of the CONTRACTED PARTY by the CONTRACTING PARTY, through an email containing the HAZMAT SHIPMENT, Annex A, or the COMMERCIAL AIR SHIPMENT, Annex B, until the arrival at Guarulhos International Airport (GRU) of cargo material loaded at the ORIGIN.



5.5.1. The above mentioned timeframe does not include the time lapsed from the arrival at DESTINATION until acceptance by CTLA/CELOG. Thus, the above mentioned delivery terms expire upon arrival at DESTINATION.

5.6. The contracted services are air transportation services; therefore, the CONTRACTED PARTY shall be responsible for removing the goods from the CONTRACTING PARTY'S premises at the ORIGIN.

5.6.1. Due to urgencies, the CONTRACTING PARTY, at its own discretion, may deliver the cargo at the CONTRACTED PARTY facilities.

5.7. The CONTRACTED PARTY, after confirming the time and date of cargo retrieval, must advise the name of the transportation company and the name of the party responsible for the handling of the cargo, so that the BACW Warehouse employee may deliver the cargo to be shipped. At this time, the CONTRACTED PARTY must also advise AWB, Estimated Time of Delivery (EDT), Estimated Time of Arrival (ETA), flight number and the name of the company performing cargo freight.

5.8. Cargo transportation vehicle must possess sufficient height and width to enable access to materials through the warehouse doors/docks, whose measurements are as follows: width 7.6 feet (seven point six feet) and height: 7.8 feet (seven point 8 feet).

5.8.1. Should the transportation vehicle not possess the necessary measurements for loading through the warehouse doors/docks, the CONTRACTING PARTY may reject the truck. Return costs shall be borne by the CONTRACTED PARTY and the timeframe for the supply and loading of cargo must be upheld as per the original delivery schedule.

5.9. After retrieval of cargo up until its receipt by the clearance team at CTLA/CELOG, the CONTRACTED PARTY shall be responsible for the storage and safekeeping of all material making up cargo.

5.10. The costs associated with cargo insurance from the ORIGIN UP TO DESTINATION are the CONTRACTING PARTY'S responsibility and should not be included in the price proposal submitted at the Bid.

5.11. The CONTRACTED PARTY is responsible throughout the time during which the cargo is under its responsibility, ceasing to be responsible upon delivery to the recipient credentialed by the CONTRACTING PARTY.

5.12. Cargo shall be considered to have been delivered in good conditions in accordance with the Acknowledgment of Air Transportation, after receipt by CTLA/CELOG, without damage or claims. The CONTRACTED PARTY is responsible for ensuring that the original AWB follow the cargo material, so as to enable customs clearance.

5.13. Any claims for damages must be submitted within ten (10) calendar days of cargo receipt. This claim must be submitted by means of a caveat noted in the air acknowledgement (AWB) or through any other written communication submitted by CTLA/CELOG to the CONTRACTING PARTY, thereafter being forwarded to the CONTRACTED PARTY

5.14. Complaints regarding delays must be filed within fifteen (15) calendar days of receipt of material by CTLA/CELOG, by the CONTRACTING PARTY TO THE CONTRACTED PARTY

5.15. The CONTRACTING PARTY shall be responsible for the loading, as well as for documentation concerning EEI and AES.

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Nazareno Correia Peregrino, Lt Col
Chief of BACW Fiscal Division



5.16. During the performance of the services, the weight measurement unit for this BASIC PROJECT, and therefore of the CONTRACT, shall be kilograms (kg). Thus, should it be necessary to convert kilograms (kg) and pounds (lbs.), the following equivalency will be used: 1 lb. = 0.4536 kg.

5.17. Specifics for HAZMAT shipment

5.17.1. After receiving a Service request for HAZMAT, the CONTRACTED PARTY, as per Annex A, must analyze and check all HAZMAT documentation for the material to be shipped, within a maximum timeframe of 24 (twenty-four) hours.

5.17.2. It should be noted that, if an airline company refuses to transport any material due to its hazmat classification, the CONTRACTED PARTY shall evidence all the efforts to arrange another airline to perform the services. If, however, the transport is not possible due to airlines limitation, the CONTRACTED PARTY shall not be responsible for the non-performance, or suffer any sanction derived by these specific, situation.

5.17.2.1. If the specific case above mentioned happens, the CONTRACTED PARTY must issue a rationale to the CONTRACT MONITOR evidencing all facts in order to not be considered non-performance.

5.17.3. The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty-four) hours.

5.17.4. Should the CONTRACTED PARTY prove the existence of faults or irregularities in the documents and/or packing provided, it must notify the CONTRACTING PARTY and request the necessary corrections. In this case, the maximum timeframe for delivery is suspended until all pending issues are resolved by the CONTRACTING PARTY.

5.17.5. Should the CONTRACTED PARTY prove the presence of faults or irregularities in the packaging or documentation of HAZMAT material to be shipped, it must notify the CONTRACTING PARTY. If the alterations cannot be corrected by the CONTRACTING PARTY, the CONTRACTED PARTY must provide the necessary corrections so as to proceed with shipment.

5.17.5.1. In the above mentioned cases, the CONTRACTED PARTY must request the approval of PACKAGING/ DOCUMENTATION (EP/DC) costs, which must be proven by submitting an INVOICE for the services performed by third parties.

5.17.5.2. PACKAGING/ DOCUMENTATION (EP/DC) costs which have not been approved by the CONTRACTING PARTY shall not be paid.

5.17.5.3. The CONTRACTED PARTY must issue an INVOICE, further to the cargo's arrival at DESTINATION, detailing within it packaging cost, to which it may also add FIXED PACKAGING / DOCUMENTATION FEES as submitted in price proposal.

5.17.5.3.1. It should be noted that the FIXED PACKAGING / DOCUMENTATION are costs of the bidder to handle the repacking and/or reissuing the documentation. Furthermore, the CONTRACTING PARTY shall reimburse the costs paid by the CONTRACTED PARTY to third-parties, after the CONTRACTED PARTY proves the incurred paid costs.

5.17.6. For HAZMAT material, there might be the incidence of handling costs per UN CODE. Those costs must be submitted in the Price Proposal.



5.17.7. Cargo transportation until loading onto aircraft shall be carried out in accordance with the US DOT's legislation; the driver must be credentialed and qualified to perform transportation of HAZMAT goods, and the vehicle must have all signage and labeling required for the material being transported. Non-compliance with the above measures shall be entirely under the CONTRACTED PARTY'S responsibility

5.17.8. Upon retrieval of cargo at ORIGIN, the truck driver must sign the HAZMAT SHIPMENT as well as provide his driver license, proving he is licensed to transport HAZMAT goods.

5.17.9. Should the driver lack the credentials proving his qualification to transport HAZMAT, the CONTRACTING PARTY may refuse to load the truck. In this case, the costs associated with the replacement of the driver shall be borne by the CONTRACTED PARTY and the timeframe for the supply and loading of the cargo must be fulfilled, as per original delivery schedule.

5.17.10. The limit of HAZMAT dangerous goods to be transported shall unfailingly follow the determinations established by 49 CFR 175.75 - *Quantity Limitations*.

5.18. The CONTRACTED PARTY must charge a fixed amount per transportation unit in cargo aircraft or in passenger aircraft, as submitted in the price proposal provided during the bidding process.

5.18.1. THE CONTRACTED PARTY must attach to the INVOICE a copy of the AWB proving the amount charged by the air company for Fuel Surcharge.

5.18.2. The CONTRACTED PARTY must attach to the INVOICE proof of payment to third parties for PACKING/ DOCUMENTATION services.

5.19. The CONTRACTING PARTY shall only pay the amounts associated with the services performed.

5.20. Specifics for NON-HAZMAT shipment

5.20.1. After receiving a Service request for NON-HAZMAT, the CONTRACTED PARTY, as per Annex B, must analyze and check all documentation for the material to be shipped, within a maximum timeframe of 24 (twenty-four) hours.

5.20.2. The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty-four) hours.

5.20.3. Should the CONTRACTED PARTY prove the existence of faults or irregularities in the documents or the packing provided, it must notify the CONTRACTING PARTY and request the necessary corrections. In this case, the maximum timeframe for delivery is suspended until all pending issues are resolved by the CONTRACTING PARTY.

5.20.3.1. For NON-HAZMAT shipments, the CONTRACTING PARTY is responsible to solve any faults or irregularities in the documents and/or packing provided.

5.20.4. Upon retrieval of cargo at ORIGIN, the truck driver must sign the COMMERCIAL AIR SHIPMENT as well as provide his driver license.

5.21. The CONTRACTED PARTY must charge a fixed amount per transportation unit in passenger aircraft, as submitted in the price proposal provided during the bidding process.

5.21.1. THE CONTRACTED PARTY must attach to the INVOICE a copy of the AWB proving the amount charged by the air company for Fuel Surcharge.



5.22. The CONTRACTING PARTY shall only pay the amounts associated with the services performed.

6. ENFORCEMENT REGIME

6.1. The services resulting from this BASIC PROJECT must be contracted globally based on the **Lowest Unit Price** per bidder criterion.

6.2. The future CONTRACT may undergo quantitative increases or decreases in the estimated demands. However, such increases may not exceed 25% of initial contract demand, in accordance with Brazilian Law nº 8.666/1993.

6.3. The amounts to be contracted are estimates, and consequently do not imply any obligation by the CONTRACTING PARTY.

7. PRICE PROPOSAL

7.1. At the Bidding, bidders will be required to present their bids in a sealed envelope type of bidding.

7.2. The PRICE PROPOSAL must be typed in English and the prices stated in US dollars.

7.3. For HAZMAT shipments, UN Code cost for cargo aircraft and UN Code cost for passenger aircraft shall be submitted by the bidder in the bidding process, as per price proposal model.

7.4. For HAZMAT shipments, FIXED PACKAGING / DOCUMENTATION FEES shall be submitted by the bidder in the bidding process, as per price proposal model.

7.5. The winning bid shall be the bid with the lowest **UNIT PRICE**.

7.5.1. The UNIT PRICE must be obtained adding the COST PER RANGE (CPR) per HAZMAT and NON-HAZMAT range multiplied by its referred WEIGHTING FACTOR (WF), resulting in the WEIGHTED UNIT PRICE PER RANGE (WUPR)

7.5.2. The arithmetic average of the WUPR plus the cost per UN CODE for cargo aircraft plus the cost per UN CODE for passenger aircraft and the cost of FIXED PACKAGING / DOCUMENTATION FEE shall be the UNIT PRICE of the bidder, as per the mathematical demonstration below:

7.5.3. COST PER RANGE.

$$7.5.3.1. CPR_n = RCH_n + RPH_n + RP_n + RC_n$$

RANGE		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Cargo Type	Aircraft Type	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
HAZMAT	Cargo	RCH1	RCH2	RCH3	RCH4	RCH5	RCH6	RCH7	RCH8	RCH9
	Passenger	RPH1	RPH2	RPH3	RPH4	RPH5	RPH6	RPH7	RPH8	RPH9

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NON-HAZMAT	Passenger	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8	RP9
	Cargo	RC1	RC2	RC3	RC4	RC5	RC6	RC7	RC8	RC9
COST PER RANGE		CPR1	CPR2	CPR3	CPR4	CPR5	CPR6	CPR7	CPR8	CPR9

7.5.4. WEIGHTING FACTOR (IP).

WEIGHTING FACTOR (WF)								
Range 1 (W1)	Range 2 (W2)	Range 3 (W3)	Range 4 (W4)	Range 5 (W5)	Range 6 (W6)	Range 7 (W7)	Range 8 (W8)	Range 9 (W9)
Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
0.6	0.2	0.029	0.029	0.029	0.029	0.029	0.029	0.029

7.5.5. WEIGHTED UNIT PRICE PER RANGE (WUPR):

$$7.5.5.1. WUPR = CPR_n * W_n$$

7.5.6. The arithmetic average of the WUPR:

$$Average WUPR = \frac{(WUPR1) + (WUPR2) + (WUPR3) + (WUPR_n)}{n}$$

7.5.1. UNIT PRICE OF THE BIDDER:

UNIT PRICE = Average WUPR + UN CODE per cargo aircraft + UN CODE per passenger aircraft + FIXED PACKAGING / DOCUMENTATION FEE.

7.6. It is important to point out that during the performance of the CONTRACT the amounts to be paid shall be shown by range in the RCH, RPH RP, and RC fields, according to the weight in kilograms of the cargo to be shipped.

7.6.1. Bidders must submit a fixed price for Range 1, and a price per kilogram in Ranges 2 to 9.

7.7. Bidders must submit their price proposals in accordance with the PRICE PROPOSAL MODEL as provided in the Invitation for Bid.

8. SUBCONTRACTING

8.1. In case there is sub-contracting, it shall abide by the following guidelines:

8.1.1. Sub-contracting may be authorized by the BACW's Chief, through the CONTRACT MONITOR.

8.1.2. Sub-contractor shall prove having the technical qualification to perform the services, even though, the responsibility for the quality of such services lies on the CONTRACTED PARTY.

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8.1.3. In the event of sub-contracting, the CONTRACTED PARTY shall still bear full responsibility for full performance of the Contract, being responsible for supervising and coordinating the activities of the sub-contractor, as well as responding before the CONTRACTING PARTY for strict compliance with the Contract agreements related to the object that was subcontracted.

9. TERMS

9.1. Term of Validity

9.1.1. The Contract's period of validity shall be 12 (twelve) months, starting on the date of its Signature, including its performance time, acceptance time and term established for the final payment.

9.1.2. The validity may be extended by mutual agreement between the parties for an additional equal period of 12 months, if it is in the CONTRACTING PARTY's interest, up to the overall limit of 60 months".

9.2. Term of Execution

9.2.1. The period of execution of the CONTRACT shall be 11 months for the first 12 months period, starting at the SERVICE ORDER issuance.

9.3. Acceptance Timeframe

9.3.1. The services shall be definitively received by COMREC, through a final Acceptance Receipt, signed by the parties within 10 (ten) days of written notification by the CONTRACTED PARTY.

9.3.2. Final acceptance does not exclude civil responsibility for the reliability and safety of the service, or ethical/professional responsibility for the perfect performance of the contract.

9.4. Payment Processing Time

9.4.1. Payment processing time for Commercial Invoices shall not exceed 30 consecutive days, starting on the date on which the Acceptance Receipt is issued, signed by COMREC, together with the delivery of cargo documentation to CTLA/CELOG.

9.4.2. This term shall renew automatically for a 10 (ten) business days if there is any discrepancy noted by the INSPECTION and mandatorily notified in writing to the CONTRACTED PARTY.

9.4.3. Payment shall be made to the CONTRACTED PARTY, provided obligations are fulfilled in full by the delivery date associated with the invoice.

9.4.4. The CONTRACTED PARTY must submit to the CONTRACTING PARTY an INVOICE for the performance of the service within 10 (ten) days of cargo arrival in Brazil. The INVOICE must be issued in US Dollars.

9.4.4.1. The INVOICE submitted by the CONTRACTED PARTY must receive a unique number and may not be repeated in later invoices. Duplicated invoices or those missing identification shall be rejected by the CONTRACTING PARTY.

9.4.4.2. The INVOICE must at least contain the following information:

9.4.4.3. INVOICE Number

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Chief of BACW Fiscal Division



- 9.4.4.4. Contract Number
- 9.4.4.5. Date of retrieval of cargo at ORIGIN.
- 9.4.4.6. Date of arrival at DESTINATION.
- 9.4.4.7. BACW Shipment Number.
- 9.4.4.8. Unit Value per Range.
- 9.4.4.9. FIXED PACKAGING. DOCUMENTATION FEE, if applicable
- 9.4.4.10. Fuel Surcharge amount as per AWB.
- 9.4.4.11. UN Shipment cost, if applicable.

9.5. Delivery

9.5.1. Due to the nature of its application and the specificity of the materials, the cargo must be delivered at DESTINATION within a maximum timeframe of **10 (ten) calendar days for HAZMAT and NON-HAZMAT transported in cargo aircraft**, and **6 (six) calendar days for HAZMAT and NON-HAZMAT transported in passenger aircraft**, starting on the date of the notification of the CONTRACTED PARTY by the CONTRACTING PARTY, through an email containing the HAZMAT SHIPMENT, Annex A, or the COMMERCIAL AIR SHIPMENT, Annex B, until the arrival at Guarulhos International Airport (GRU) of cargo material loaded at the ORIGIN.

9.6. Cargo Pick-up

9.6.1. The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty-four) hours.

9.6.1.1. Due to urgencies, the CONTRACTING PARTY, at its own discretion, may deliver the cargo at the CONTRACTED PARTY facilities.

10. PRICE ADJUSTMENT

10.1. All price installments may be adjusted, through a formal proposal from one of the Parties mentioned in the CONTRACT and only after 12 months have expired from the deadline for the submission of proposals referenced in this INVITATION FOR BID or from the last adjustment; however, adjustments must be preceded indicators/indices supporting the new, updated prices, and a cost table must also be submitted at this time.

10.2. In all adjustments following the first one, the annual term shall be counted from the last completed adjustment.

10.3. Adjustments shall be preceded by a request from the CONTRACTED PARTY, supported by an analytical demonstration for cost alteration, via the submission of a cost table and price formation, as well as the new agreement or collective stipulation on which the adjustment is based.

10.4. It is forbidden to include, at the time of adjustment, benefits which were not contemplated by the initial proposal, except when they become mandatory through the application of a legal document, normative sentence, collective agreement or collective stipulation.

10.5. At the time in which an adjustment is requested, it shall only be granted through negotiation between the parties, considering:

10.5.1. Normal Market prices and those applied in other contracts executed by the Administration;



- 10.5.2. The peculiarities of the contract in effect;
- 10.5.3. New agreement or collective stipulation of professional categories;
- 10.5.4. New table showing cost variation;
- 10.5.5. Sector indicators, manufacturer tables, official reference amounts, public tables or other equivalent amounts; and
- 10.5.6. The CONTRACTED PARTY'S budget availability.

10.6. The decision regarding the request for adjustment must be reached within a deadline of 60 (sixty) days, starting from the date on which proof of cost variation has been delivered.

10.7. In case of adjustment, an amendment to the existing contract shall be executed.

10.8. The term referenced in the above paragraph shall be suspended until the CONTRACTED PARTY fulfills its tasks or delivers the documentation requested by the CONTRACTED PARTY to prove cost variation.

10.9. The CONTRACTING PARTY may submit requests for clarification to verify cost variation claimed by the CONTRACTED PARTY.

10.10. The submission of an adjustment proposal by the CONTRACTED PARTY need not be accepted by the CONTRACTING PARTY, which may refuse the proposal.

10.11. Should the CONTRACTED PARTY not present duly justified indices, the maximum adjustment amount shall be, or equate to the variation in the CPI (Customer Price Index, issued by the Bureau of Labor Statistics – BLS – issued by the U.S. Bureau of Labor).

11. MONITORING

11.1. MONITORING must be performed by members of the Administration, who have been specifically appointed to this task by the Administration, in accordance with the principles established by Law N° 8.666 / 1993, ICA n° 65-8 / 2009, and ICA n° 12-23 / 2014, so as to oversee and monitor the fulfillment of the CONTRACT to be executed.

11.2. The CONTRACTING PARTY'S representative must have the necessary experience to oversee CONTRACT OBJECT.

11.3. Verification of contractual fulfillment must be completed based on the criteria established in the BASIC PROJECT PLAN, as per contractual terms.

11.4. Contractual performance must be overseen and monitored, including oversight of the fulfillment of contractual obligations.

11.5. The MONITORING must include in its records all events related to contractual performance, taking the necessary measures for the complete fulfillment of contractual clauses. The measures exceeding its competence level must be notified to the competent authority in a timely manner.

11.6. Oversight and management of contractual performance carried out by the CONTRACTING PARTY does not eliminate the CONTRACTED PARTY'S responsibility, including before third parties, due to any irregularities, even when they are caused by technical imperfections, flaws or inadequate use of equipment. Should such incidents occur, they do not imply shared responsibility by the CONTRACTING PARTY, its representatives or employees.


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Chief of BACW Fiscal Division





12. RECEIPT OF THE OBJECT

12.1. The services that are the object of the CONTRACT shall be received by the Receiving Commission (COMREC) in accordance with the specifications set forth in the BASIC PROJECT, Annex I of this Bid Announcement.

12.2. It is the responsibility of the RECEIVING COMMISSION to:

12.2.1. Ensure that the CONTRACTED PARTY meets all requirements for the service objects, which are described in this BASIC PROJECT:

12.2.2. Accept or reject services according to the specifications set forth in the BASIC PROJECT within 10 (ten) consecutive days:

12.2.3. Once approved, the INVOICES shall be sent to the BACW's Contract Department, together with an Acceptance Receipt within 5 (five) days. If there is any discrepancy, the INVOICE must be returned to the CONTRACTED PARTY, so that the necessary corrections may be made, with a letter explaining the reasons for its return; and

12.2.4. During the performance of the CONTRACT, all proposals, questions, discrepancies, causing difficulties or requiring evaluation must be submitted to the MONITOR, for the purpose of receiving approval and/or issue of opinion by the BACW'S EXPENSE SUPERVISOR.

13. OBLIGATIONS

13.1. CONTRACTING PARTY'S OBLIGATIONS:

13.1.1. Provide all conditions enabling the CONTRACTED PARTY to perform the services herein in accordance with the terms of the contract.

13.1.2. Require the fulfillment of all obligations undertaken by the CONTRACTED PARTY, in accordance with contractual terms, proposal terms and policy terms.

13.1.3. Carry out monitoring of contractual performance, through a specifically appointed agent of the Administration, recording in a special log any flaws detected, showing the day, month and year, as well as the names of any personnel who may be involved, sharing such observations with the relevant authority for any applicable measures.

13.1.4. Notify the CONTRACTED PARTY, in writing, of any possible imperfections occurred during the performance of the contract, determining a timeline for their correction;

13.1.5. Pay the CONTRACTED PARTY the amount resulting from the rendered services, in accordance with contractual, and policy terms.

13.1.6. Zealously ensure that throughout contract implementation all eligibility and qualification conditions required at the time of Contract signature be maintained, compatibly with the obligations undertaken by the CONTRACTED PARTY.

13.2. CONTRACTED PARTY'S OBLIGATIONS:

13.2.1. Perform the services in accordance with this BASIC PROJECT, and with the CONTRACTED PARTY'S proposal, with the necessary means for the fulfillment of contractual terms.


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Chief of BACW Fiscal Division





13.2.2. Assume civil liability for moral and material damages caused to the Brazilian Nation by its employees', workers', agents' or representatives actions or omissions.

13.2.3. Prohibit, during the performance of the services, the use of employees related to public officers holding a trusted position or committee role at BACW.

13.2.4. Take responsibility for all work-related and fiscal obligations connected with the Contract Subject.

13.2.5. Maintain throughout contract performance, compatibly with the obligations undertaken, all eligibility requirements demanded at Bid.

13.2.6. Cover any onus associated with a possible oversight in the amounts and values of its proposal, including as regards variable costs which are dependent on future and uncertain factors.

13.2.7. Provide information and clarification of a technical nature, showing all necessary data and documents, when requested by the MONITOR.

13.2.8. Partial or total non-compliance with the responsibilities undertaken by the CONTRACTED PARTY shall result in the application of administrative sanctions, established in the future CONTRACT, including fines, and may culminate in contract termination.

13.2.9. Be responsible for all labor, social, and tax obligations, as well as for any other duties or obligations provided for under specific legislation. The violation of which shall not carry a liability to the CONTRACTING PARTY.

14. PERFORMANCE LOCATION

14.1. Services shall be performed (delivery of materials to the CONTRACTED PARTY) from the CONTRACTING PARTY'S premises at the ORIGIN, at the BACW's Warehouse, 4601 Beech Road, Temple Hills, Maryland, 20748, USA or at other location within 40 miles of the BACW's Warehouse until DESTINATION at the Guarulhos International Airport (GRU), by air transportation.

15. ESTIMATED BUDGET

15.1. Using the average amounts paid during past years, the MAXIMUM ESTIMATED amount of the contract shall be **USD 201,632.24 per 12 months of contract performance.**

15.2. The estimates in prospected demand included in this BASIC PROJECT do not imply any obligation by the CONTRACTING PARTY.

15.3. For the objective of this BASIC PROJECT, the estimated rates per weight are designated as follows:

RANGE		Estimated Cost								
		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Cargo Type	Aircraft Type	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
HAZMAT	Cargo	USD 1,084.93	USD 15.65	USD 8.29	USD 7.92	USD 7.73	USD 7.73	USD 7.54	USD 7.54	USD 7.54

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Chief of BACW Fiscal Division



	Passenger	USD 787.05	USD 10.77	USD 6.59	USD 5.93	USD 5.81	USD 5.81	USD 5.72	USD 5.62	USD 5.62
NON- HAZMAT	Passenger	USD 741.58	USD 12.03	USD 4.57	USD 4.19	USD 4.13	USD 4.13	USD 4.02	USD 4.02	USD 4.02
	Cargo	USD 961.38	USD 14.28	USD 7.42	USD 7.04	USD 6.79	USD 6.79	USD 6.53	USD 6.53	USD 6.53
UN CODE – HAZMAT CARGO		USD 135.00								
UN CODE – HAZMAT PASSENGER		USD 117.50								
PACKAGING/ DOCUMENTATION (EP/DC)		USD 92.50								

16. BUDGET ALLOCATION

16.1. Financial resources shall be drawn from Program 0621 (Preparation and Utilization of Air Force), Action 2048 (Maintenance and Supply of Aeronautical Materials), Expenditure Item 339039, or any other Programs or Actions which may provide such support, given that the transportation and customs clearance in question shall serve all of the Brazilian Air Force's Systems

Washington DC, August 14th, 2018.

Prepared by:


ANDERSON AUGUSTO, Maj
Chief of the BACW's Material Section

Reviewed by:


NAZARENO CORREIA PEREGRINO, Lt. Col.
Chief of Fiscal Division

Approved by:


LEONARDO GUEDES, Col.
Chief of BACW



Price Proposal – Annex II

MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

Part 1 Representative Identification

Representative Name

Last Name

Given Name

Middle Name

--	--	--

Identification Number (Federal Id with Photo)

E-mail Address

--	--

Phone Number

Fax Number

--	--

Company's Name

--

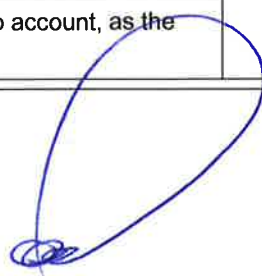
The company mentioned above, makes a proposal to be judged based on the **LOWEST UNIT PRICE**, for the **transportation services for goods**, from the BACW (Brazilian Aeronautical Commission in Washington, D.C.), from the Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748 USA) or within up to 40 miles of the warehouse to the **Guarulhos International Airport (GRU), by air**, with commercial rights and obligations between the Parties being governed by DAT (Delivered at Terminal) and INCOTERMS 2010 (ICC Publication n° 744. 2013 Edition), in accordance with the terms, quantities, price limits and other applicable requirements established in the BASIC PROJECT.

Part 2 Statements

Initial of the representative

1-	The amount presented as an ESTIMATED AMOUNT does not indicate any future commitment by BACW and was obtained from estimated values. The service quoted shall include all costs arising from the performance of the services, whether direct or indirect, including but not limited to what is described below: all inputs such as fees and/or taxes of invoice, social contributions, duties and taxes, administrative fees, permits, and all other fees necessary for full compliance with the object of the INVITATION, in accordance with the Basic Project	(place initial)
2-	We hereby acknowledge the content of INVITATION TO BID and its Annexes, fully and irrevocably accepting its terms and requirements, as well as all relevant legislation. This price proposal shall be valid for 60 (sixty) days starting on the date on which proposals are opened, after which time it shall be subject to confirmation by our Company.	(place initial)
3-	The company declares that it will meet all of the requirements listed in the Bid Announcement and Basic Project, Annex I of the Invitation to Bid 185475/CABW/2018 .	(place initial)
4-	In the DAP INCOTERMS, cargo insurance (cost definition) shall not be taken into account, as the CONTRACTING PARTY already has such a contract in place	(place initial)


Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



Price Proposal – Annex II

MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

Part 3 Price Proposal

RANGE		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
		Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
HAZMAT	Cargo	USD	USD	USD	USD	USD	USD	USD	USD	USD
	Passenger	USD	USD	USD	USD	USD	USD	USD	USD	USD
NON-HAZMAT	Cargo	USD	USD	USD	USD	USD	USD	USD	USD	USD
	Passenger	USD	USD	USD	USD	USD	USD	USD	USD	USD

UN Code (7.8 of IFB)			
Aircraft Type	Cargo	UNC	USD
	Passenger	UNP	USD

FIXED PACKAGING, DOCUMENTATION FEE (7.9 of IFB)		
Fixed Fee	T-EP/DC	USD

The BIDDING COMMISSION will perform the calculation of each proposal's Unit Price in accordance with Clause 7 of the Invitation For Bid during the open session of opening price proposals.

Part 4 Bank Information for the Bidder

Bank Name:


Branch:

Checking Account:

Other:



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



Price Proposal – Annex II

MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

PAGE 3 of 4

Part 5 Authentication

Representative printed name


Representative signature

Date of signing

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Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division




Price Proposal – Annex II

MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

PAGE 4 of 4



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Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division

ANNEX III

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



CONTRACT [CT]/CABW/2019

**INVITATION FOR BID 185475/CABW/2018
PAG 67102.185475.2018-27**

A handwritten signature in blue ink, consisting of stylized letters and a cross-like shape.

A handwritten signature in blue ink, consisting of a large, looped shape with a small mark at the bottom.



-----MINUTA / CONTRACT DRAFT-----

Content

1. DEFINITIONS.....	4
2. CLAUSE – OBJECT	6
3. CLAUSE – PERFORMANCE.....	7
4. CLAUSE – LANGUAGE.....	7
5. CLAUSE – CONDITIONS TO PROVIDING SERVICE.....	7
6. CLAUSE – OBLIGATIONS	8
7. CLAUSE – DISCRIMINATION OF SERVICE.....	10
8. CLAUSE – AMOUNT OF THE CONTRACT	10
9. CLAUSE - BUDGETARY ALLOCATION.....	11
10. CLAUSE - SUBCONTRACTING.....	11
11. CLAUSE - TERMS.....	11
12. CLAUSE - FINANCIAL GUARANTEE.....	12
13. CLAUSE - CHANGES TO THE CONTRACT	13
14. CLAUSE - PRICE ADJUSTMENT	13
15. CLAUSE - PAYMENT	14
16. CLAUSE - MONITORING	15
17. CLAUSE - RECEIPT OF THE OBJECT	16
18. ACTS OF GOD OR FORCE MAJEURE	16
19. CLAUSE – VIOLATIONS AND ADMINISTRATIVE SANCTIONS	16
20. CLAUSE – LINKAGE.....	19
21. CLAUSE – TERMINATION.....	19
22. CLAUSE – JURISDICTION AND CHOICE OF LAW.....	21
23. CLAUSE – CORRESPONDENCE AND NOTIFICATION.....	21
24. CLAUSE – NUMBER OF THE COPIES.....	22



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Chief of BACW Fiscal Division

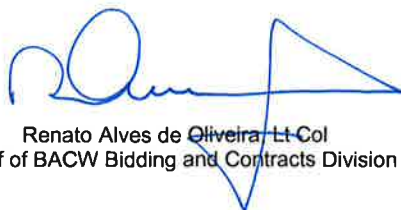


-----MINUTA / CONTRACT DRAFT-----

PAG Nº: **67102.185475/2018-27**
CONTRACT Nº **[CT#]/CABW/2018**

CONTRACTING OF A SPECIALIZED COMPANY FOR THE **TRANSPORTATION SERVICES** FOR GOODS, TO THE GUARULHOS INTERNATIONAL AIRPORT (GRU), BY AIR, WHICH THE BRAZILIAN GOVERNMENT HEREBY ENTERS INTO, THROUGH THE BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON, AND THE COMPANY [COMPANY'S NAME].

The Brazilian Government, through the Brazilian Aeronautical Commission in Washington, with main offices located at **1701 22nd St N.W. Washington, D.C. 20008**, represented herein by **Col LEONARDO GUEDES**, in the use of his legal attributions, as per Directive nº 50, issued by the Ministry of Aeronautics on January 29, 1953, and as per Art.61 of Brazilian Federal Law nº 8,666/93, hereinafter referred to as the CONTRACTING PARTY, and the company **[COMPANY'S NAME]**, with main offices located at **[CITY]**, ZIP **[POSTAL CODE]**, in the Municipality **[STATE/MUNICIPALITY]**, hereinafter the CONTRACTED PARTY, represented herein by Mr. **[LEGAL REPRESENTATIVE'S NAME]**, bearer of ID nº **[ID NUMER]**, and bearing in mind the content of PAG nº **67102.185475/2018-27**, and the final result of the **Invitation for Bid nº 185475/CABW/2018**, based on the principles of Law nº 8,666/93, Decree nº 2.271, of 1997, and Normative Instruction SLTI/MPOG nº 2, of April 30, 2008, and related legislation, hereby decide to enter into this agreement and execute this instrument, in accordance with the following terms and conditions:



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



-----MINUTA / CONTRACT DRAFT-----

1. DEFINITIONS

1.1. In order to facilitate the comprehension of terminology and to simplify text composition, the following abbreviations and expressions were adopted, followed by their definitions hereafter:

1.1.1. AES or AUTOMATED EXPORT SYSTEM – System used by US exporters to electronically file their exports, known as Electronic Export Information (EEI). This information is also shared with the Bureau of Industry and Security, with the Directorate of Defense Trade Controls or other federal agencies involved in the monitoring and approval of US exports.

1.1.2. ANSI or AMERICAN NATIONAL STANDARDS INSTITUTE – American organization responsible for standardization.

1.1.3. AWB or AIR WAYBILL – Knowledge of the cargo which constitutes the airway bill of lading. Document issued by the transportation agent or by the transportation company itself. It shows the owner of the exported cargo as well as its consignee. The following information must be included in this document: the recipient, the consignee, who must be notified of cargo arrival, type of cargo, quantity, weight, type of stowage, container number, seal or stamp number, a statement of cargo loaded, freight payment modality, among other data.

1.1.4. BP or BASIC PROJECT- As per Brazilian Law 8.666, dated June 21, 1993, the set of necessary and sufficient elements, with the necessary degree of precision, to define the project, service or body of work, which will constitute the Bid Subject. It is drafted based on the suggestions drawn from preliminary technical studies, which ensure technical feasibility and adequate treatment of the project's environmental impact, as well as evaluating the project or service's costs, defining the methods and terms for its performance.

1.1.5. COMAER – Brazilian Aeronautical Command;

1.1.6. COMREC - Goods and Services Receiving Commission;

1.1.7. CONTRACTED PARTY – the natural person or legal entity contracted to perform the services;

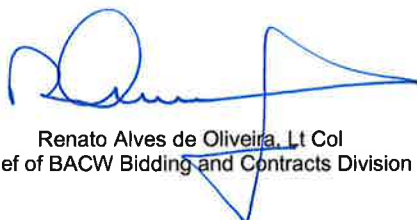
1.1.8. CONTRACTING PARTY- Brazilian Aeronautical Commission in Washington, DC (BACW);

1.1.9. CTLA – Aeronautical Center for Transportation Logistics ('Centro de Transporte Logístico da Aeronáutica'). It is located at Est Alfredo Rocha, 495 - Ilha do Governador | Rio de Janeiro - RJ | CEP: 21941-580 - Brazil.

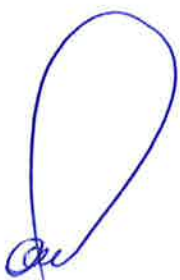
1.1.10. DAT or Delivered at Terminal- It is an INCOTERM 2010 Modality. For the purposes of this Contract, it shall be Guarulhos International Airport (GRU), in the state of São Paulo, Brazil.

1.1.11. DESTINATION- Guarulhos International Airport (GRU), in the state of São Paulo, Brazil. (Rod. Hélio Smidt, s/nº - Cumbica, Guarulhos - SP, 07190-100, Brazil).

1.1.12. DOT or DEPARTMENT OF TRANSPORTATION – US government body responsible for the transportation system.



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1.1.13. EEI or Electronic Export Information – It is the AES Information log for goods to be exported- that is, a Goods Export Declaration Record.

1.1.14. EXPENSE CONTRACT or CONTRACT- The Agreement which the Public Administration (CONTRACTING PARTY), acting as such, signs with a private person or other Administrative Entity (CONTRACTED PARTY), for the performance of the services in question and under the conditions set forth by the Public Administration itself.

1.1.15. EXPENSES SUPERVISOR- Administration Agent with the authority to perform acts resulting in funds citations, authorize payment, supply of funds, estimate approval, among other actions.

1.1.16. FAB – Brazilian Air Force

1.1.17. FIXED PACKAGING. DOCUMENTATION FEE (T-EP/DC) – CONTRACTED PARTY'S Fixed Fee for the packaging correcting processes and//or HAZMAT documentation.

1.1.18. HAZMAT SHIPMENT - Document issued by the CONTRACTING PARTY containing information about the items to be shipped.

1.1.19. HAZMAT or Hazardous Material – Material is classified as HAZMAT when it is governed by specific control regulations, such as any item or (biological, chemical, radiological or physical) agent, which may potentially cause harm to human beings, animals or to environment, by itself or through interaction with other factors. Managing this type of material includes all management of its life cycle from the planning and development of new products, production, distribution, storage, transportation, use, cleaning and elimination.

1.1.20. IATA DANGEROUS GOOD DECLARATION or IATA DGD – It is a document issued by a shipper (BACW Supplier) to certify that a dangerous good (Hazardous Material) was packaged, labeled and declared in accordance with international air transportation regulations.

1.1.21. ICA – Aeronautical Command Directive;

1.1.22. ICA 12-23/2014 – Aeronautical Command Directive on the Inspection and Acceptance of Goods and Services and application of administrative sanctions.

1.1.23. ICA 65-8/2009 –Aeronautical Command Directive on the responsibilities of the INSPECTORS AND COMREC.


1.1.24. ICC or INTERNATIONAL CHAMBER OF COMMERCE – International Commerce body, acting to promote international commerce.

1.1.25. INCOTERMS 2010 or International Commercial Terms– International Purchase Terms published in 2011. For the purpose of enabling the standardization and correct interpretation of transfer or responsibility, costs and risks in international contracts, signed between exporters and importers.

1.1.26. INVOICE – Commercial document formalizing an act of purchase and sale abroad, which must contain- among other information- the following data: supply quantity, supply unit, price, payment terms, taxes, duties and FAB Purchase Order Number.



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1.1.27. MO - Military Organization;

1.1.28. MONITOR- the individual or commission representing the CONTRACTING PARTY before the CONTRACTED PARTY, appointed to systematically monitor the fulfillment of contractual terms and complementary orders issued by the Government, in all their aspects;

1.1.29. ORIGIN- BACW (Brazilian Aeronautical Commission in Washington D.C.), the BACW's Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748, USA), or other location within 40 miles of the BACW's Warehouse.

1.1.30. PAAI – Formal internal administrative procedure which consists in the registration of all acts to determine the administrative facts necessary to clarify and review judgments of the competent authority, allowing due process, which will culminate in the implementation or not of the administrative sanctions provided for in the Law (ICA 12-23);

1.1.31. PACKAGING / DOCUMENTATION (EP/DC) Packaging correction cost or HAZMAT documentation

1.1.32. PAG – Administrative Management Process; and

1.1.33. PROCESSING- It is an administrative fee to be paid by the CONTRACTING PARTY for the processing of profit and costs by the CONTRACTED PARTY.

1.1.34. STORAGE- Organized safekeeping of adequately preserved goods, in warehouses, on shelves- whether separated in sections or not, or in marked open areas, due to the type, dimension and nature of the goods and its packaging; all such locations must be adequately marked, grouping together items of a similar nature.

1.1.35. TERM OF RECEIPT – Document issued by the COMREC attesting and accepting services performed.

1.1.36. UN Code – “Dangerous goods are assigned to UN numbers and proper shipping names according to their hazard classification and their composition.” (ST/SG/AC.10/1/Rev.17 (Vol.I))

2. CLAUSE – OBJECT

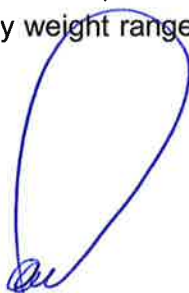
2.1. Contracting of a specialized company for the **transportation services for goods**, from the BACW (Brazilian Aeronautical Commission in Washington, D.C.), from the Warehouse (4601 Beech Road, Temple Hills, Maryland, 20748 USA) or within up to 40 miles of the warehouse to the **Guarulhos International Airport (GRU), by air**, with commercial rights and obligations between the Parties being governed by DAT (Delivered at Terminal) and INCOTERMS 2010 (ICC Publication nº 744. 2013 Edition).

2.1.1. In the above mentioned INCOTERMS, cargo insurance (cost definition) shall not be taken into account, as the CONTRACTING PARTY already has such a contract in place

2.2. For logistic purposes, the object of this CONTRACT shall be divided into HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, in accordance with transportation regulations, and NON-HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, as per the following table:



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Chief of BACW Bidding and Contracts Division



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HAZMAT									
Aircraft Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Passenger	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
Cargo									

NON-HAZMAT									
Aircraft Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Passenger	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
Cargo									

2.3. It is noted that the services related to this CONTRACT must comply with all the laws and regulations set forth by the U.S. Federal Government, the district and the state in which the facilities are located

2.4. The estimates detailed in this CONTRACT do not imply any obligation by the CONTRACTING PARTY. The following annexes are integral parts of this contract, regardless of whether or not they are herein transcribed:

- ANNEX A – BASIC PROJECT;
- ANNEX B - PRICE PROPOSAL FROM THE CONTRACTED PARTY; and
- ANNEX C - PHYSICAL AND FINANCIAL SCHEDULE.

3. CLAUSE – PERFORMANCE

- 3.1. The CONTRACT shall be performed on the basis of indirect execution of Lowest Unit Price.
- 3.2. The CONTRACT may undergo quantitative increases or decreases in the estimated demands and values. However, such increases may not exceed 25% of initial contract amount.

4. CLAUSE – LANGUAGE

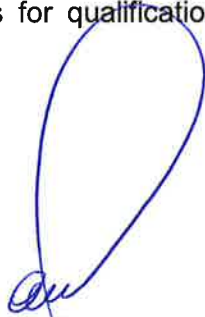
4.1. It is hereby agreed by the parties that the language of this CONTRACT, for the purpose of documentation, correspondence, and any other interests shall be English.

5. CLAUSE – CONDITIONS TO PROVIDING SERVICE

- 5.1. The services shall be performed by the CONTRACTED PARTY as described herein and in accordance with the BASIC PROJECT, Annex A.
- 5.2. The CONTRACTED PARTY shall maintain all the conditions for qualification during the bidding process throughout the validity of this CONTRACT.



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 Chief of BACW Bidding and Contracts Division



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 Chief of BACW Fiscal Division



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6. CLAUSE – OBLIGATIONS

6.1. In addition to that set forth in the Basic Project, the **CONTRACTED PARTY** shall be required to:

- 6.1.1.** Perform services in accordance with the specifications in the BASIC PROJECT and its proposal with the resources necessary for full compliance with the provisions of the CONTRACT;
- 6.1.2.** Strictly observe specifications and instructions contained in the Invitation for Bid;
- 6.1.3.** Take full responsibility for the performance of the contracted services;
- 6.1.4.** Ensure supply of all material and equipment required for full and perfect fulfillment of contractual obligations;
- 6.1.5.** Take responsibility for the selection, qualification, transportation, meals, lodging, contracting and termination of its employees, as well as for their legal situation with labor, transit, insurance, employment taxes and any withholdings, health and welfare authorities. The CONTRACTED PARTY's failure to fulfill the obligations set forth herewith does not make the CONTRACTING PARTY responsible for payment;
- 6.1.6.** Take responsibility, furthermore, for damages caused to the CONTRACTING PARTY, arising from the performance of services by CONTRACTED PARTY'S employees or appointed agents;
- 6.1.7.** Provide all clarifications requested by the CONTRACTING PARTY, immediately addressing any complaints;
- 6.1.8.** Replace, at no cost to the CONTRACTING PARTY, all material or equipment provided that suffers from any type of damage caused by poor use by its employees, or which has been rejected during inspection tests;
- 6.1.9.** The CONTRACTED PARTY is prohibited from disclosing to third parties any information regarding the nature or progression of service performance contemplated by this Contract, as well as from notifying the press or media, including print, television, radio, internet and/or any other means of public disclosure, except with explicit consent of the CONTRACTING PARTY.
- 6.1.10.** Bear all civil liability for each and every performed services and for damages caused by action or omission on the part of CONTRACTED PARTY'S employees, workers, agents, or representatives, whether intentionally or not, before the Brazilian Government (Brazilian Air Force Command) and other third parties;
- 6.1.11.** Use qualified employees who have essential knowledge of the services that will be performed in accordance with the rules and regulations in effect;
- 6.1.12.** Be responsible for all labor, social, and tax obligations, as well as for any other duties or obligations provided for under specific legislation, the violation of which shall not carry a liability to the CONTRACTING PARTY;



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6.1.13. Instruct its employees on the need to follow the guidelines provided by the CONTRACTING PARTY, including with regard to CONTRACTING PARTY'S internal regulations, if any;

6.1.14. Maintain throughout the term of the Contract, consistent with the obligations assumed, all conditions of eligibility and qualification required in the bidding process;

6.1.15. Not transfer to third parties, in any way, not even partially, any of the responsibilities assumed without the express prior written approval of the BACW in accordance with the terms of this CONTRACT;

6.1.16. Be responsible for any costs resulting from any possible mistakes made in calculating the quantitative items in its proposal, including with regard to variable costs associated with future and uncertain facts, being responsible for covering those items should what was initially provided for in its proposal not be enough to perform the object of the bidding process.

6.1.17. All services performed by the CONTRACTED PARTY shall be the responsibility of the CONTRACTED PARTY and shall be performed in accordance with the CONTRACT;

6.1.18. The CONTRACTED PARTY shall not perform any extra service without first providing an estimated budget, which is to be formally authorized by the CONTRACTING PARTY;

6.1.19. The CONTRACTED PARTY shall appoint a Manager for the purpose of overall management of the activities/services, following up on the CONTRACT and representation with the CONTRACT MONITOR;

6.1.20. Comply with all the CONTRACTING PARTY's requirements, especially those related to deadlines, performance and conclusion of the contracted services, as well as the requirements related to the services under special deadline, priority and emergency;

6.1.21. Abide by BACW's business hours, and according to its convenience or need for any change, communicate the change to the CONTRACT MONITOR, with at least 24 (twenty four) hours in advance;

6.1.22. Be responsible for any claims and financial burden that may arise from any law suits, or damage caused directly or indirectly by the CONTRACTED PARTY, and that may possibly be argued against BACW, by third parties;

6.1.23. Promptly communicate, in writing to BACW, any and all information related to any errors, mistakes or flaws found in the BASIC PROJECT;

6.1.24. Use of adequate equipment and tools, to allow for proper execution of the services, and utilize efficient and safe work methods;

6.2. The CONTRACTING PARTY shall be required to:

6.2.1. The CONTRACTING PARTY, through the assistance of the CONTRACT MONITOR, duly designated for that function, shall:

6.2.1.1. Appoint a RECEIVING COMMISSION (COMREC), through Internal document, to carry out receipt of the qualitative and quantitative object of the CONTRACT;

6.2.1.2. Provide all the conditions for the CONTRACTED PARTY to be able to perform its services in accordance with the provisions of the CONTRACT, the Invitation to Bid and its Annexes, and particularly the BASIC PROJECT;


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MINUTA / CONTRACT DRAFT

6.2.1.3. Require compliance with all obligations assumed by the CONTRACTED PARTY in accordance with the provisions of the CONTRACT and the terms and conditions of its proposal;

6.2.1.4. Provide monitoring of services by an official specifically designated for that purpose, who shall record in his own log any flaws found;

6.2.1.5. Notify the CONTRACTED PARTY in writing of the occurrence of any irregularities during the performance of services, and establish a deadline for their correction;

6.2.1.6. Pay the CONTRACTED PARTY the amount due for the provision of services, as established in the CONTRACT through the receipt and acceptance of an INVOICE; and

6.2.1.7. See to it that, throughout the term of the CONTRACT, all conditions of eligibility and qualifications required in the bidding process are maintained, consistent with the obligations assumed by the CONTRACTED PARTY.

7. CLAUSE – DISCRIMINATION OF SERVICE


7.1. The CONTRACT shall be performed by the CONTRACTED PARTY as described herein and in the BASIC PROJECT, Annex A.

8. CLAUSE – AMOUNT OF THE CONTRACT

8.1. The maximum total amount of the CONTRACT is US\$ [AMOUNT], with the value of US\$ [AMOUNT] being initially provided through the Purchase Order nº [PO NUMBER], leaving US\$ [AMOUNT] remaining for the above mentioned Purchase Order.

8.2. The amounts to be paid per range are described below, in accordance with the PRICE PROPOSAL, Annex B of this Contract.

RANGE		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6	Range 7	Range 8	Range 9
Cargo Type	Aircraft Type	Up to (UP TO 45 Kg)	46 Kg to 100 Kg	101 Kg to 200 Kg	201 Kg to 300 Kg	301 Kg to 400 Kg	401 Kg to 500 Kg	501 Kg to 600 Kg	601 Kg to 700 Kg	701 Kg to 800 Kg
HAZMAT	Cargo	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
	Passenger	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
NON-HAZMAT	Passenger	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
	Cargo	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
UN CODE – HAZMAT CARGO		US\$								
UN CODE – HAZMAT PASSENGER		US\$								
PACKAGING/ DOCUMENTATION (EP/DC)		US\$								


 Renato Alves de Oliveira, Lt Col
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-----MINUTA / CONTRACT DRAFT-----

9. CLAUSE - BUDGETARY ALLOCATION

9.1. Financial resources shall be drawn from Program 0621 (Preparation and Utilization of Air Force), Action 2048 (Maintenance and Supply of Aeronautical Materials), Expenditure Item 339039, or any other Programs or Actions which may provide such support, given that the transportation and customs clearance in question shall serve all of the Brazilian Air Force's Systems

10. CLAUSE - SUBCONTRACTING

10.1. In case there is sub-contracting, it shall abide by the following guidelines:

10.1.1. Sub-contracting may be authorized by the BACW's Chief, in his sole discretion through the CONTRACT MONITOR.

10.1.2. Sub-contractor shall prove having the technical qualification to perform the services, even though the responsibility for the quality of and liability for such services remains with the CONTRACTED PARTY.

10.1.3. In the event of sub-contracting, the CONTRACTED PARTY shall still bear full responsibility for full performance of the Contract, being responsible for supervising and coordinating the activities of the sub-contractor, as well as responding before the CONTRACTING PARTY for strict compliance with the Contract agreements related to the object that was subcontracted.

11. CLAUSE - TERMS

11.1. Term of Validity

11.1.1. The Contract's period of validity shall be 12 (twelve) months, starting on the date of its Signature, including its performance time, acceptance time and term established for the final payment.

11.1.2. The validity may be extended by mutual agreement between the parties for an additional equal period of 12 months, if it is in the CONTRACTING PARTY's interest, up to the overall limit of 60 months".

11.2. Term of Execution

11.2.1. The period of execution of the CONTRACT shall be 11 months for the first 12 months period, starting at the SERVICE ORDER issuance.

11.3. Acceptance Timeframe

11.3.1. The services shall be definitively received by COMREC, through a final Acceptance Receipt, signed by the parties within 10 (ten) days of written notification by the CONTRACTED PARTY.

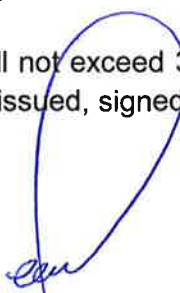
11.3.2. Final acceptance does not exclude civil responsibility for the reliability and safety of the service, or ethical/professional responsibility for the perfect performance of the contract.

11.4. Payment Processing Time

11.4.1. Payment processing time for Commercial Invoices shall not exceed 30 consecutive days, starting on the date on which the Acceptance Receipt is issued, signed by COMREC, together with the delivery of cargo documentation to CTLA.



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-----**MINUTA / CONTRACT DRAFT**-----

11.4.2. This term shall renew automatically for a 10 (ten) business days if there is any discrepancy noted by the INSPECTION and mandatorily notified in writing to the CONTRACTED PARTY.

11.4.3. Payment shall be made to the CONTRACTED PARTY, provided obligations are fulfilled in full by the delivery date associated with the invoice.

11.4.4. The CONTRACTED PARTY must submit to the CONTRACTING PARTY an INVOICE for the performance of the service within 10 (ten) days of cargo arrival in Brazil. The INVOICE must be issued in US Dollars.

11.4.4.1. The INVOICE submitted by the CONTRACTED PARTY must have a unique identification number and may not be repeated in later invoices. Duplicated invoices or those missing identification shall be rejected by the CONTRACTING PARTY.

11.4.4.2. The INVOICE must at least contain the following information:

11.4.4.3. INVOICE Number

11.4.4.4. Contract Number

11.4.4.5. Date of retrieval of cargo at ORIGIN.

11.4.4.6. Date of arrival at DESTINATION.

11.4.4.7. BACW Shipment Number through the HAZMAT SHIPMENT.

11.4.4.8. Unit Value per Range (VUF).

11.4.4.9. FIXED PACKAGING. DOCUMENTATION FEE (T-EP/DC), if applicable

11.4.4.10. Fuel Surcharge amount as per AWB.

11.4.4.11. UN Shipment cost

11.5. Delivery

11.5.1. Due to the nature of its application and the specificity of the materials, the cargo must be delivered at DESTINATION within a maximum timeframe of **10 (ten) calendar days for HAZMAT and NON-HAZMAT transported in cargo aircraft**, and **6 (six) calendar days for HAZMAT and NON-HAZMAT transported in passenger aircraft**, starting on the date of the notification of the CONTRACTED PARTY by the CONTRACTING PARTY, through an email containing the HAZMAT SHIPMENT, Annex A, or the COMMERCIAL AIR SHIPMENT, Annex B, until the arrival date at Guarulhos International Airport (GRU).

11.6. Cargo Pick-up

11.6.1. The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty-four) hours.

11.6.1.1. Due to urgencies, the CONTRACTING PARTY, at its own discretion, may deliver the cargo at the CONTRACTED PARTY facilities.

12. CLAUSE - FINANCIAL GUARANTEE

12.1. The provision of a Contract Guarantee shall be required from the CONTRACTED PARTY, in the amount of 5% (five percent) of the total maximum amount of the CONTRACT, within 10 (ten) business days from the signature of the CONTRACT, in order that the Service Order may be signed, and consequently, the execution of the CONTRACT can begin. The CONTRACTED PARTY can provide the Contract Guarantee in the following modalities in the discretion of the CONTRACTING PARTY:


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Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



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- 12.1.1.** ILOC – Irrevocable Standby Letter of Credit, in form and substance acceptable to CONTRACTING PARTY, payable on demand issued by an internationally-recognized bank, acceptable to CONTRACTING PARTY in its reasonable discretion; or
- 12.1.2.** Performance bond, in form and substance acceptable to CONTRACTING PARTY, and issued by an internationally-recognized bank acceptable to CONTRACTING PARTY in its reasonable discretion.
- 12.2.** The Financial Guarantee must be valid throughout the term of the CONTRACT.
- 12.3.** A Financial Guarantee that does not cover all the possible risks and losses associated with the performance of the CONTRACT will not be accepted.
- 12.4.** If the amount of the guaranty is used, in whole or in part, the CONTRACTED PARTY must replenish that perspective amount within 5 (five) business days, from the date it is notified.
- 12.5.** After the completion of the CONTRACT, when regular compliance of all obligations of the CONTRACTED PARTY is verified, the guaranty provided by the CONTRACTED PARTY shall be released and returned.

13. CLAUSE - CHANGES TO THE CONTRACT

13.1. Pursuant to Article 65, § 1, of Law nº 8.666/93 (Brazil), a CONTRACTED PARTY is required to accept, under the same terms and conditions, any changes involving addition or subtraction the amount of the demand for the services, that may be necessary, at the discretion of BACW, up to the limit of twenty-five percent (25%) of the original total amount of the Contract.

13.1.1. Since the demands are estimated due to the characteristics of the OBJECT of this CONTRACT, reductions in the amount that exceeds the limit of twenty-five percent (25%) of the Contract may occur during the performance of the CONTRACT at CONTRACTING PARTY'S sole discretion.

13.1.2. The set of increases and the set of decreases shall be calculated based on the original shipments of, or services to be provided under, the Contract, on a case by case basis, without any sort of compensation up to the limits established above.

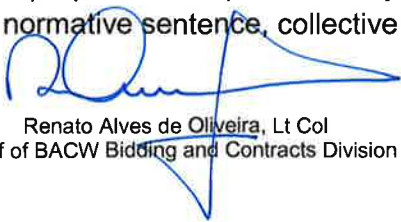
14. CLAUSE - PRICE ADJUSTMENT

14.1. All price installments may be adjusted, through a formal proposal from one of the Parties mentioned in the CONTRACT and only after 12 months have expired from the deadline for the submission of proposals referenced in this INVITATION FOR BID or from the last adjustment; however, adjustments must be preceded by indicators/indices supporting the new, updated prices, and a cost table must also be submitted at this time.

14.2. In all adjustments following the first one, the annual term shall be counted from the last completed adjustment.

14.3. Adjustments shall be preceded by a request from the CONTRACTED PARTY, supported by an analytical demonstration for cost alteration, via the submission of a cost table and price formation, as well as the new agreement or collective stipulation on which the adjustment is based.

14.4. It is forbidden to include, at the time of adjustment, benefits which were not contemplated by the initial proposal, except when they become mandatory through the application of a legal document, normative sentence, collective agreement or collective stipulation.


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Mario Emilio Framil Cabizuca, Lt Col
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-----**MINUTA / CONTRACT DRAFT**-----

14.5. At the time in which an adjustment is requested, it shall only be granted through negotiation between the parties, considering:

14.5.1. Normal Market prices and those applied in other contracts executed by the Administration;

14.5.2. The peculiarities of the contract in effect;

14.5.3. New agreement or collective stipulation of professional categories;

14.5.4. New table showing cost variation;

14.5.5. Sector indicators, manufacturer tables, official reference amounts, public tables or other equivalent amounts; and

14.5.6. The CONTRACTED PARTY'S budget availability.

14.6. The decision regarding the request for adjustment must be reached within a deadline of 60 (sixty) days, starting from the date on which proof of cost variation has been delivered.

14.7. In case of adjustment, an amendment to the existing contract shall be executed.

14.8. The term referenced in the above paragraph shall be suspended until the CONTRACTED PARTY fulfills its tasks or delivers the documentation requested by the CONTRACTING PARTY to prove cost variation.

14.9. The CONTRACTING PARTY may submit requests for clarification to verify cost variation claimed by the CONTRACTED PARTY.

14.10. The submission of an adjustment proposal by the CONTRACTED PARTY does not obligate acceptance by the CONTRACTING PARTY, which may refuse the proposal.

14.11. Should the CONTRACTED PARTY not present duly justified indices, the maximum adjustment amount shall be, or equate to the variation in the CPI (Customer Price Index, issued by the Bureau of Labor Statistics – BLS – issued by the U.S. Bureau of Labor).

15. CLAUSE - PAYMENT

15.1. The deadline for payment shall be within thirty (30) calendar days from the date the term of receipt is issued by the Receipt Commission

15.2. An Invoice shall be issued by the CONTRACTED PARTY in accordance with the following procedures:

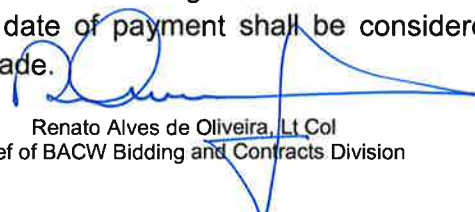
15.2.1. Payment shall only be made, after the appropriate official's "approval" of the Invoice provided by the CONTRACTED PARTY.

15.2.2. The "approval" of the Invoice is contingent upon verification of compliance of the Invoice submitted by the CONTRACTED PARTY with the services that were actually performed;

15.2.3. In the event of any mistake in submitting any of the documents required under the previous sub-items or of a situation that prevents fees from being paid, the payment shall remain pending until the CONTRACTED PARTY takes steps to remedy the situation. In this case, the deadline for payment shall take effect after it is verified that the situation has been solved, without any costs to the CONTRACTING PARTY.

15.3. Payment shall be made through a bank order of credit, deposit in a bank account, at the branch or bank agency indicated by the CONTRACTED PARTY, or through any other means provided for under the legislation in effect.

15.4. The date of payment shall be considered the date when the bank order of payment is actually made.


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Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Cabizuca, Lt Col
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-----MINUTA / CONTRACT DRAFT-----

16. CLAUSE - MONITORING

16.1. The MONITOR must be an agent or agents of the Administration, specifically appointed by the Administration, in accordance with the precepts established by Law Nº 8.666/1993 (Brazil), ICA nº 65-8/2009 (Attributions of MONITOR and Receiving Commission), and of ICA nº 12-23/2014 (Inspection and Receiving Goods, Services and Administrative Sanctions Application), so as to monitor and inspect the fulfillment of the contract to be executed.

16.2. Monitoring of contractual fulfillment consists in verifying the conformity of the services and the allocation of the necessary resources.

16.3. Verification of adequate contractual fulfillment must be performed based on the criteria established in the BASIC PROJECT and in accordance with contractual terms.

16.4. Contractual performance must be monitored and inspected through oversight instruments including monitoring of the fulfillment of the obligations arising from this CONTRACT.

16.5. The MONITOR shall note in his records all events related to the performance of the Contract.

16.6. The monitoring of contractual performance carried out by the CONTRACTING PARTY does not eliminate the CONTRACTED PARTY'S responsibility, also before third parties, due to any irregularity, even if arising from technical imperfections, flaws or inadequate use of equipment, and when these incidents occur, they do not imply any responsibility by the CONTRACTING PARTY, its representatives or employees.

16.7. For the purposes of this CONTRACT, events shall be considered unforeseeable or caused by force majeure if they fit to legal description provided in single paragraph of article 393 of the Brazilian Civil Code, or terms of line II, §1º, Art. 57 of Federal Law nº 8.666/93 (Brazil).

16.8. The MONITOR should, additionally, abide by the following processes:

16.8.1. Observe and perform, when applicable, all procedures established in ICA 65-8/2009 and ICA 12-23/2017;

16.8.2. Monitor the development of all services requests issued to the CONTRACTED PARTY;

16.8.3. Monitor the development of all services until their receipt by CTLA and CABW:

16.8.4. Submit for evaluation by the EXPENSE SUPERVISOR all proposals, questioning, discrepancies and difficulties encountered during contractual performance or those requiring approval and/or decision;

16.8.5. Receive INVOICES, compare them with the amounts established in the CONTRACT, certify them and forward them to the EXPENSE SUPERVISOR for approval:

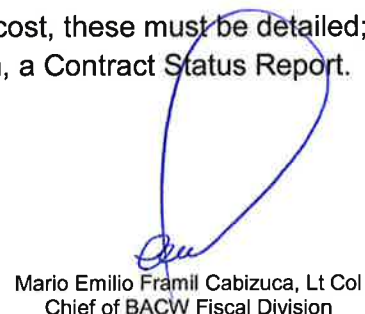
16.8.6. All INVOICES must be service invoices, detailing- at the very least- unit and total amounts for each cost, duty amounts charged, PROCESSING costs and discounts offered, cargo weight and volume and FAB's request number. All supporting documentation must be attached to the INVOICE for validation by COMREC;

16.8.7. If there are other inputs which may influence cost, these must be detailed;

16.8.8. Issue, until the fifth day of the following month, a Contract Status Report.



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



-----MINUTA / CONTRACT DRAFT-----

17. CLAUSE - RECEIPT OF THE OBJECT

17.1. The services that are the object of the CONTRACT shall be received by the Receiving Commission in accordance with the specifications set forth in the Basic Project, Annex I of this Bid Announcement.

17.2. It is the responsibility of the RECEIVING COMMISSION to:

17.2.1. Ensure that the CONTRACTED PARTY will follow the description of all the services that are the object of the BASIC PROJECT;

17.2.2. Receive services or reject them according to the specifications set forth in the BASIC PROJECT, in up to ten (10) calendar days;

17.2.3. Once approved, the invoices are sent to BACW's Contract Department, and

17.2.4. All proposals, questions, discrepancies and difficulties encountered during the execution of the CONTRACT, or that require an evaluation shall be presented to the CONTRACT MONITOR for approval and/or a determination must be approved by the Chief of BACW.

18. ACTS OF GOD OR FORCE MAJEURE

18.1. Unforeseeable events or force majeure events must be notified in writing to the Chief of the BACW, through the MONITOR, so that he may decide the appropriate course of action, provided it is proven that such events affect the services/materials provided in accordance with the OBJECT of the present CONTRACT.

18.2. For the purposes of the present CONTRACT, events shall be considered unforeseeable or force majeure, if they fit the legal description provided in the single paragraph of Art. 393 of the Brazilian Civil Code, or according to the terms of item II, §1º, Art. 57 of Law Nº 8.666/93.

19. CLAUSE – VIOLATIONS AND ADMINISTRATIVE SANCTIONS

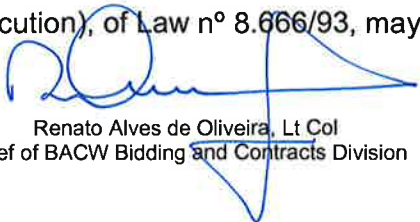
19.1. For the application of administrative sanction the following must be taken into account: gravity of flaw, the relapse, damage caused to Public Interest, and loss to Administration.

19.2. Failure to fulfill CONTRACT in full or in part, or violation of any of the obligations contained in the CONTRACT and this INVITATION FOR BID, shall subject the CONTRACTED PARTY, without limiting CONTRACTED PARTY'S liability to other criminal and civil penalties, and to any and all other contractual damages and recourses available to the CONTRACTING PARTY under the CONTRACT or applicable law, ensuring due legal process, to the following penalties:

19.2.1. A Warning is an administrative sanction applied when the CONTRACTED PARTY infringes, for the first time, obligations connected to delay in contractual terms or submission of a commercial invoice with an inaccuracy, or due to non fulfillment of guidelines received from monitoring team within 48 (forty-eight) hours after notification by the MONITORING team. In order to enforce the Warning, a PAAI must be filed.

19.2.2. The Warning must not be proposed for relapse cases of the same kind as non fulfillment of contractual obligation.

19.2.3. The FINES referenced in item II, Art. 87 (fines caused by total or partial contract inexecution), of Law nº 8.666/93, may be defined and applied:


Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



-----MINUTA / CONTRACT DRAFT-----

19.2.3.1. Due to total or partial inexecution of Contract OBJECT:

19.2.3.1.1. A fine may be applied due to partial inexecution of adjustment in the amount 0.2% (point two percent) of CONTRACT amount, should the CONTRACTED PARTY not fulfill any condition established in the CONTRACT; and

19.2.3.1.2. If the CONTRACTED PARTY causes termination of the contract, a fine shall be applied for total inexecution of contract in the amount of 10% (ten percent) of updated CONTRACT amount, without excluding arrears or other sanctions addressed by Art. 87 da Lei nº 8.666/93.

19.3. Notwithstanding the interested party's right to a fair defense, within 5 (five) business days, the fine for total or partial inexecution of CONTRACT shall be applied, together with the administrative sanctions set forth in items I, III and IV, Art. 87, of Law Nº 8.666/93.

19.4. The BACW must inform the CONTRACTED PARTY of the value to be collected, after all administrative recourses have been exhausted, after guaranteeing the right to ample defense, while the CONTRACTING PARTY must detract the amount for expired installments.

19.4.1. If payment is not extinguished in the form described in previous items, subtraction of the fine due shall be encouraged, activating contractual guarantee.

19.5. After the actions set forth in previous items, in case the fine is still unpaid, the Disbursement Officer (main or deputy) of the BACW, when applicable, shall forward the Process to the National Treasury's Attorney-General's Office (PGFN), for analysis and registration of sanctioned company in the Union's Active Debt [registry] (DAU) and/or enable legal action, based on relevant amount.

19.6. Application of a fine does not exempt the CONTRACTED PARTY from compensating CONTRACTING PARTY for any and all damages, losses and casualties which it may have caused the Administration or CONTRACTING PARTY, nor does it exclude the possibility of applying other administrative penalties or fines.

19.7. The application of the fines set forth in the previous items may be appealed within 5 (five) business days.

19.8. Temporary suspension from participating in bids or debarment from contracting with the Administration shall be applied- within the COMAER's scope, with the following gradation:

19.8.1. For up to 30 (thirty) days:

19.8.1.1. Non fulfillment of scheduled deadline for taking corrective measures, upon application of warning sanction; and

19.8.1.2. In case of disruption of any action in the bid open session.

19.8.2. For up to 3 (three) months:

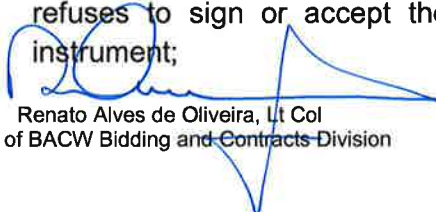
19.8.2.1. If the proposal is withdrawn, without the occurrence of an unforeseen event;

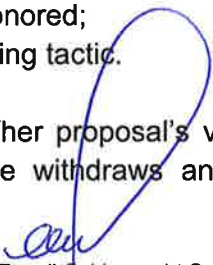
19.8.2.2. If it is claimed the prices offered cannot be honored;

19.8.2.3. If an appeal is submitted as an obvious delaying tactic.

19.8.3. For up to 6 (six) months:

19.8.3.1. If the winning bidder, summoned within his/her proposal's valid period, refuses to sign or accept the contract, or if he/she withdraws an equivalent instrument;


Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Gabizuca, Lt Col
Chief of BACW Fiscal Division



-----MINUTA / CONTRACT DRAFT-----

19.8.3.2. In the absence of contractual financial guarantee, as required herein and in the terms of the INVITATION FOR BID;

19.8.3.3. In case of relapse in the practice of an illicit act, which may be sanctioned as per points "19.8.1" and "19.8.2" of this item during a timeframe shorter than 24 (twenty-four) months;

19.8.3.4. In the application of a second administrative sanction to this contract;

19.8.3.5. In the application of two administrative warning sanctions and one fine, within the COMAER's scope, within a 12 (twelve) month timeframe, during which time the supplier has not taken corrective measures in the terms prescribed by the Administration; and

19.8.3.6. In the application of two administrative fine sanctions within the COMAER's scope, within a 12 (twelve) month period, during which time the supplier has not taken the corrective measures prescribed by the Administration;

19.8.4. For up to 12 (twelve) months:

19.8.4.1. When the CONTRACTED PARTY unduly delays service performance, resulting in contract rescission;

19.8.4.2. When the CONTRACTED PARTY does not extinguish/pay the fine within the deadline, in the situations in which it is not possible to detract its amount from the warranty or from the credit resulting from completed installments; and

19.8.4.3. In case of relapse in non-fulfillment subject to sanctions as per point "19.8.3", during a timeframe shorter than 36 (thirty-six) months;

19.8.5. For up to 24 (twenty-four) months:

19.8.5.1. In case an illicit act is committed, for the purpose of impeding Bid fruition; such as a the creation of a cartel or collusion;

19.8.5.2. If "fraudulent", "adulterated", "fake" or "falsified" documents are submitted;

19.8.5.3. In case of "false testimony";

19.8.5.4. If case of final sentencing of an illicit act of fiscal fraud in the collection of taxes related to the contract;

19.8.5.5. If services are interrupted without a valid cause and without prior notification to the Administration;

19.8.5.6. If "falsified" or "adulterated" material is delivered and tricks are used to deceive the Administration;

19.8.5.7. If the contract is not fulfilled, causing serious damages to the Administration; and

19.8.5.8. In case of relapse in non-fulfillment subject to sanction in accordance with point "19.8.4", over a timeframe shorter than 48 (forty-eight) months.

19.9. For the purposes of the terms set forth in this CONTRACT, as regards application of an administrative sanction temporarily suspending company from participating in bids, and entering into a contract with the Administration, the term "Administration" should be interpreted as COMAER.

19.10. Failure to fulfill the contract shall be characterized as not rendering the service in accordance with the technical specifications contained in this CONTRACT.

Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division

Mario Emilio Framil Cabizuca, Lt Col
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-----MINUTA / CONTRACT DRAFT-----

19.11. Inappropriate behavior shall be characterized as any intentional conduct aiming to trick or corrupt the Administration, or any of its employees, for the purpose of obtaining undue advantage.

19.12. The Formal Internal Administrative Process [PAAI] issuing the Certificate of Unfitness shall be forwarded to the State Minister of Defense, through the appropriate chain of command after an opinion is issued by COJAER, given the State Minister's exclusive competence to apply the sanction. The sanction shall be applied in any of the situations below:

19.12.1. If the company or professional have been definitively sentenced for illicitly committing fiscal fraud in collecting any taxes;

19.12.2. If the company or professional committed an illicit act for the purpose of preventing Bid fruition;

19.12.3. If the Administration should find that the company or professional are not qualified to enter into a contract due to illicit acts committed; or

19.12.4. If proof of fraud is ascertained, by the Union's Court of Auditors in the bid.

19.13. The criteria for a Certificate of Unfitness, which may not exceed a 5 (five) year timeline, in accordance with the legislation in effect, shall be remitted to COJAER, for further forwarding to the State Minister of Defense. Rehabilitation for this sanction may be requested by the interested party after 2 (two) years have lapsed from its application.

19.14. In the document containing the Certificate of Unfitness, a recommendation shall be made for the sanction, which must show, in the respective PAAI, the amount to be reimbursed for the purpose of rehabilitation, with due legal increments and possible obligations.

20. CLAUSE – LINKAGE

20.1. This Contract is hereby linked to Invitation to Bid nº **185475/CABW/2017**, and the Commercial Proposal of the CONTRACTED PARTY, submitted by company [COMPANY'S NAME] to BACW.

21. CLAUSE – TERMINATION

21.1. Pursuant to the provisions of Article 78 of Lei nº 8,666/93 (Brazil), the following are causes for terminating this Contract:

21.1.1. Failure to comply with CONTRACT clauses, specifications, projects and deadlines;

21.1.2. Inappropriate compliance with CONTRACT clauses, specifications, projects and deadlines;

21.1.3. Slowness in its compliance which may lead the CONTRACTING PARTY to find it impossible to complete the services within the established deadlines;

21.1.4. Unjustifiable delay in initiating service;

21.1.5. Stoppage in the service, without cause, and without providing previous notice to the CONTRACTING PARTY;

21.1.6. Failure to comply with orders from the authority designated to follow up and supervise the performance of services, or higher authorities;

21.1.7. Repeatedly making errors in the performance of services, duly recorded pursuant to § 1 of Article 67 of Law nº 8,666/93 (Brazil);

21.1.8. Bankruptcy;

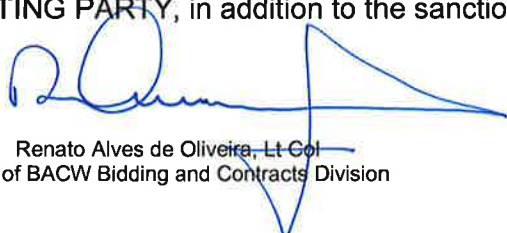

Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division


Mario Emilio Framil Cabizuca, Lt Col
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-----**MINUTA / CONTRACT DRAFT**-----

- 21.1.9.** Dissolution of company or death of the CONTRACTED PARTY;
- 21.1.10.** Corporate change or alteration of purpose or business of the CONTRACTED PARTY that hinders the performance of the CONTRACT;
- 21.1.11.** Reasons of public interest (Brazil) that are of high importance, broadly publicized, justified and ordered by a higher executive authority with jurisdiction over CONTRACTING PARTY, based on an administrative case referred to in the CONTRACT;
- 21.1.12.** Suspension of service, through a written order of the CONTRACTING PARTY, for more than one hundred twenty (120) days, in the event of a disasters, domestic disturbances or war, or also repeated suspensions that add up to 120 days. In addition to the required payment of indemnification to the CONTRACTED PARTY, it is also entitled in these cases to suspend complying with its obligations until normalcy is achieved;
- 21.1.13.** A delay for more than ninety (90) days in making payments due by the CONTRACTING PARTY, for services, supply and work already received and performed, except in the event of a disasters, domestic disturbances or war. The CONTRACTED PARTY shall be entitled to suspend compliance with its obligations until normalcy is achieved;
- 21.1.14.** Failure of the CONTRACTING PARTY to release the object for the performance of services within the established deadlines;
- 21.1.15.** Acts of God or force majeure that prevents performance of the CONTRACT, which is to be duly demonstrated;
- 21.1.16.** Violation of the provisions of items V of Article 27 of Law nº 8,666/93 (Brazil), notwithstanding the applicable criminal sanctions.
- 21.2.** Termination will be formally recorded under the law, with the right of due process and ample defense ensured.
- 21.3.** Termination of this CONTRACT may be:
- 21.3.1.** Decided unilaterally and in writing by the CONTRACTING PARTY in the event listed under in items 21.1.1 to 21.1.12, and 21.1.16, of this CLAUSE;
- 21.3.2.** Agreeable, through an agreement between the parties, entered as an addendum in the process, provided it is convenient to the CONTRACTING PARTY; and
- 21.3.3.** Judicially, pursuant to applicable legislation.
- 21.4.** The CONTRACTED PARTY shall be compensated for losses incurred, provided these can be demonstrated, due to CONTRACT rescission, based on items 21.1.12, 21.1.13, 21.1.14 and 21.1.15 in accordance with this clause, with a right to:
- 21.4.1.** Return financial guarantee;
- 21.4.2.** Payments owed for CONTRACT performance until the date of rescission; and
- 21.4.3.** Payment of mobilization cost.
- 21.5.** An amicable or administrative rescission must be preceded by a written authorization, with due legal foundation, issued by the competent authority.
- 21.6.** The rescission of the CONTRACT due to non-compliance with contractual clauses may result in imposition of fines, penalties and/or damages as provided herein. A credit associated with the CONTRACT shall be retained up to the limit of the losses caused to the CONTRACTING PARTY, in addition to the sanctions set forth of this CONTRACT.


Renato Alves de Oliveira, Lt Col
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Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



-----MINUTA / CONTRACT DRAFT-----

21.7. The Rescission document must include:

21.7.1. Evaluation of contractual services rendered and those which were completed in full;

21.7.2. List of payments completed and payments owed; and

21.7.3. Indemnifications and fines.

22. CLAUSE – JURISDICTION AND CHOICE OF LAW

22.1. This Contract shall be construed and interpreted in accordance with the **principles** of Brazilian Law N° 8,666/93, and shall be governed by and enforced in accordance with the laws of the District of Columbia, including the Uniform Commercial Code as adopted in the District of Columbia, without regard to any choice of law or conflict of laws doctrines that might otherwise be applied. The UN Convention on Contracts for the International Sale of Goods shall have no application to this Contract.

22.2. The parties hereto agree to make a diligent, good-faith attempt to amicably resolve all disputes before either party commences litigation pursuant to this Clause 21 of this Contract.

22.3. Any dispute or claim arising out of or relating to this Contract, with a breach thereof, shall be submitted to the District of Columbia Superior Court or the United States District Court for the District of Columbia, to the exclusive jurisdiction of which the parties hereby irrevocably submit.

23. CLAUSE – CORRESPONDENCE AND NOTIFICATION

23.1. All correspondence, reports and notifications arising from the execution of this CONTRACT shall be made in writing and shall only be considered to be received by the CONTRACTING PARTY and the CONTRACTED PARTY, if delivered to the addresses indicated below by one party to the other party or to any other addresses that may be communicated by the PARTIES, throughout the term of this Contract.

CONTRACTING PARTY:

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

Attn: Contract Department

1701 22nd Street NW, Washington, D.C. 20008 - USA

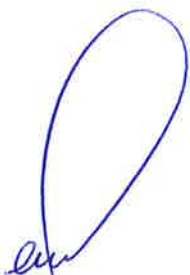
Phone: 202/518-7359

Fax: 202/483-4684

E-mail: con@cabw.org



Renato Alves de Oliveira, Lt Col,
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



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CONTRACTED PARTY:

Name of the CONTRACTED PARTY
Attn: Mr. /Mrs. Name of Legal representative
ADDRESS
ADDRESS
Phone:
Fax
E-mail:

24. CLAUSE – NUMBER OF THE COPIES

24.1. It is hereby agreed that this CONTRACT shall be issued in two (2) originals, with same content and form, as follows:

24.1.1. (One) original for the CONTRACTING PARTY; and

24.1.2. (One) original for the CONTRACTED PARTY.

24.2. In witness whereof, the parties have executed this CONTRACT in two (2) equal counterparts, of equal content, in the presence of the witnesses subscribed below.

Washington DC, MM/DD/2019.

For the CONTRACTING PARTY:

_____ *MINUTA/DRAFT* _____
Leonardo Guedes, Col
Chief of BACW

For the CONTRACTED PARTY:

_____ *MINUTA/DRAFT* _____
NAME

WITNESSES:

_____ *MINUTA/DRAFT* _____
Nazareno Correia Peregrino, Lt Col
Chief of BACW Fiscal Division

WITNESSES for the CONTRACTED PARTY:

_____ *MINUTA/DRAFT* _____
NAME:ID nº


Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division

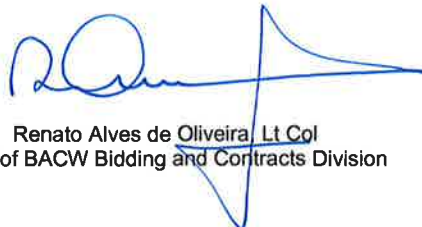

Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



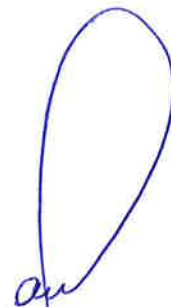
-----MINUTA / CONTRACT DRAFT-----

ANNEX A

BASIC PROJECT



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



-----**MINUTA / CONTRACT DRAFT**-----

ANNEX B

PRICE PROPOSAL



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division



-----**MINUTA / CONTRACT DRAFT**-----


PHASE	DESCRIPTION	VALUE (US\$)	TERM FOR EXECUTION	TERM FOR PAYMENT
1				
2				
3				
4				
5				

PHYSI
CAL
AND

FINANCIAL SCHEDULE



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division

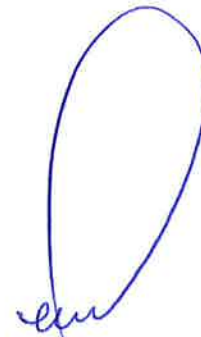


-----**MINUTA / CONTRACT DRAFT**-----

6				
7				
8				
9				
10				
11				
12				
TOTAL		XXXXXX		



Renato Alves de Oliveira, Lt Col
Chief of BACW Bidding and Contracts Division



Mario Emilio Framil Cabizuca, Lt Col
Chief of BACW Fiscal Division