**BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.**



**INVITATION FOR BID 181301/CABW/2018**

**PAG 67102.181301/2018-95**

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**MINISTRY OF DEFENSE
AERONAUTICAL COMMAND**

**BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.**

**INVITATION FOR BID 181301/CABW/2018**

**PAG 67102.181301/2018-95**

Approved on: April 19, 2018

LEONARDO GUEDES Col

BACW’S Chief

**Legal basis.** The Brazilian Federal Government, through the Brazilian Aeronautical Commission in Washington (BACW), announces to whom it may concern, that at the date, time and place shown below, it will hold a Bidding Process based on the indirect execution, for the provision of material and labor, under the Unit Price regime, of the **Greatest General Index (IG)** (Letter B, Line VIII of Article 6, Brazilian Law 8,666/93), in accordance with this Invitation For Bid and its Annexes. The bidding process will follow the principles of Law Nº 8.666/93 (Brazil), and its related legislation, in addition to the recommendations contained in Official Letter N° 051/SEFA/1358, dated September 29, 1998 and N° 213/SUAUD/3368, dated September 20 2011, from the Secretary of Economy and Finance (SEFA), on item 7.1.2 of the MCA 176-1, updated on December 6, 2017, as well as other requirements set forth in this Bid announcement and its Annexes. In addition, proposals submitted to the BACW will be interpreted, evaluated and ranked in accordance with the principles contained in Articles 3 and 123 of Law N° 8,666 of 06/21/1993, pertaining to legality, fairness, morality, equality and transparency.

|  |  |
| --- | --- |
| Date of Delivery and Opening of Envelopes: | **June 4, 2018 9:00 a.m. (EST)** |
| Hours: | 09:00 a.m. (U.S. Eastern Standard Time) |
|  |  |  |  |  |  |
| Address: | 1701 22nd St. N.W. Washington, D.C., 20008 | Telephone: | (202) 483-4031 |
| Fax: | (202) 483-4684 |
| Email: | con@cabw.org |
|  |  |  |  |  |  |
| Accreditation: | **June 4, 2018 9:00 a.m. (EST)** |
| Hours:  | 09:00 a.m. (U.S. Eastern Time) |

# DEFINITIONS

## In order to facilitate comprehension of terminology and simplify the composition of the text, the following abbreviations and phrases were adopted, with the meanings provided herein:

## ANAC-National Civil Aviation Agency, Brazilian Aeronautical Authority.

## BER-Beyond Economic Repair, i.e. repair is economically inviable;

## BACW-Brazilian Aeronautical Commission in Washington-DC (CABW);

## CELOG-Aeronautical Logistic Center

## COMAER-Aeronautical Command;

## COMREC-Goods and Services Receipt Commission, comprised of at least three members who, through the Contracting Management Unit, representing the Aeronautical Command before the CONTRACTED PARTY, are tasked with receiving the object, whether material or service, as per ICA 65- 8/2009 and ICA 12-23/2014;

## CONTRACTED PARTY- Winning Bidder in the Bidding Process, after issue of ratification (“Homologation”) and Bid Award (“Adjudication”);

## CONTRACTING PARTY- The Brazilian Federal Union-Aeronautical Command, represented by the Material Depot of Galeão (PAMAGL), the military organization under the Brazilian Air Force (FAB), subject to the Directorate of Aeronautical and Warfare Material (DIRMAB), which is responsible for logistic support to C-130 aircraft;

## CONTRACT - The agreement which the Public Administration (CONTRACTING PARTY), acting in this capacity, signs with other Administrative Body (CONTRACTED PARTY), for the purpose of contracting the aeronautical services contemplated here under the conditions established by the Public Administration itself. Within the scope of this document, it is referred to the future contract to be signed between the CONTRACTING PARTY and the CONTRACTED PARTY;

## CREA – Regional Engineering Council-Council responsible for checking and inspecting the exercise of the engineering profession and the activities related to it;

## DIRMAB- Directorate of Aeronautical and Warfare Material;

## DOU- Official Gazette;

## EASA- European Aviation Safety Agency;

## FAA – Federal Aviation Agency;

## FAB- Brazilian Air Force;

## FINDINGS – Non-conformities found during the inspection of an aircraft or equipment, requiring corrective measures which are not scheduled in routine inspection logs for said aircraft and equipment;

## MONITOR – Administration Agent especially appointed as its representative to monitor and oversee Contract performance, whereby the sub-contracting of third parties is permitted to assist and provide information pertaining to its duties in the situations in which his technical knowledge is not sufficient to perform them;

## MONITORING: Generic term for the activity exercised by the Administration Agent acting as Contract Monitor, or by a specifically and systematically appointed Commission, for the purpose of verifying compliance with contractual provisions and with complementary orders issued by the Administration regarding Contract Execution, in all its aspects, for the purpose of identifying deviations and taking corrective measures, or- when outside of its sphere of competence, forwarding them to a higher-ranking authority;

## CONFIDENTIAL INFORMATION - Any information and data, of a commercial or industrial nature, or pertaining to technical projects, for current enterprises or others under development by the parties, as well as any other data, texts, correspondence and information disclosed orally or visually, regardless of the means through which it is conveyed.

## ICA - Aeronautical Command Normative;

## IG – General Index- Evaluation of the most advantageous proposal to the Administration, in which all technical aspects (IT) and financial aspects (IP) are taken into consideration;

## IP- Price Index- Evaluation Method for the Financial Aspects presented in each Bidder’s Price Proposal. Price Index shall be weighted at 60%;

## IT- Technical Index- Evaluation Method for the technical aspects presented in each Bidder’s Technical Proposal. Technical Index shall be weighted at 40%;

## INPP- Depot-Level Scheduled Inspection, equivalent to the Maintenance Plan (PDM) Inspection established by USAF;

## INCOTERMS 2010 - Set of international rules for the interpretation of the most commonly used trade terms in foreign trade, defining the start and end points of responsibilities between buyer and seller;

## INVOICE or COMMERCIAL INVOICE - Document equivalent to a bill of sale or trade bill which, in foreign countries, is supplied with the purchased material or services rendered, showing material specifications or services description, as well as their quantities, unit and total prices, in addition to the weights and other information deemed essential for SISCOMEX. It is considered the most important document for customs clearance by the importer because it contains all the elements related with the export operation;

## MAFFS- Modular Airborne Fire-Fighting system

## Brazilian Law Nº 8.666: Law dated June 21, 1993, governing art. 37, Line XXI, of the Federal Constitution [of Brazil], establishes rules for the Public Administration’s solicitations and contracts, and provides other guidelines. It establishes general rules or norms on administrative contracts and solicitations relating to projects, services, including advertising, purchases, divestments and rentals within the scope of the Powers of the Union, its States, Federal District and Municipalities;

## BIDDER- Company submitting a Proposal in the Bidding Process;

## PAAI- Formal internal administrative process consisting in the log of all verification inquiries into administrative events, which are necessary to clarify and

## review judgments of the Competent Authority, allowing due process, and possibly culminating in the application of the administrative sanctions established by Law;

## PO- PURCHASE ORDER - It is a foreign Purchase Order, equivalent to a Funds Allocation Bill or proceeds allocation document in Brazil. It serves as a guarantee that there is sufficient funds to liquidate the commitment undertaken; it is the first step of a public budget expenditure;

## REVO- Aerial Fueling System

### SCRAP- Equipment or component deemed scrap, due to the technical impossibility of recovery, or to its economic inviability;

### CONTRACT CONCLUSION STATEMENT- Document prepared by the CONTRACT Monitor upon conclusion of the contract due to its partial or full execution.

### FINAL RECEIVING CERTIFICATE (TRD)- detailed document, issued by the a member of the Administration, individually or as part of a team, appointed by the competent authority, to document final acceptance of the Object of the Contract (goods or services), further to verification of compliance with all terms set forth in the bidding process and/or in agreements executed by the Public Administration (contracts, partnerships, agreements, amendments, amendment terms, or other similar documents) with third-parties or agencies or entities of the Administration itself;

### TEMPORARY RECEIVING CERTIFICATE (TRP)- detailed document, issued by a member of the Administration, individually or as part of a team, appointed by the competent authority, to document temporary acceptance of a contract step (or steps), after verifying good or service compliance with the specification set forth in the bidding process and any documents executed by the Public Administration (contracts, partnerships, agreements, amendments, amendment terms, or other similar documents) with third-parties or agencies or entities of the Administration itself;

### TPT- Third Party Transfer-document for transfer of ownership to third parties.

# OBJECT

## The object of this BIDDING PROCESS is the contracting of a company specialized in the **maintenance of aircraft C-130,** for the performance of logistical support services for 12 (twelve) aircraft, excluding full T56A-15 engines, Aerial Fueling (REVO) and Modular Airborne Fire-fighting System (MAFFS), including the execution of maintenance services, the replacement of equipment, repair and replacement of equipment as per technical specifications and quantities set forth in BASIC PROJECT PLAN Nº 001/SDFC/2018 BSC, Annex I.

## For reasons pertaining to operation and contract execution, the bid shall be divided into modules.

## **MODULE 1:** Performance of ISOCHRONAL maintenance services and correction of non-conformities associated with natural wear and tear (findings), provision of specialized labor and all supply of repairable, consumable and workable material for FAB C-130 aircraft, including inspection logs for complete engines and REVO, as per maintenance plan established by USAF (United States Air Force). The performance of this module shall be assessed based on the execution time of each ISOCHRONAL maintenance service, compared to the time established in the maintenance manuals on which the USAF’s maintenance plan is based.

## **MODULE 2:** Supply of mandatory and prospective spare parts, and replacement of equipment and components, classified as repairable or workable, as per USAF manuals for the maintenance of C-130 aircraft which may be necessary in scheduled pre-flight, inter-flight and post-flight maintenance and HSC, as well as unscheduled maintenance arising from normal wear and tear of the material, which will be performed by FAB’s operational teams, including the installation of full engines and REVO system on the aircraft, whereas specific material for the installation of full T56-15 engines, REVO and MAFFS system is excluded. The performance of this module shall be assessed based on the supply time of mandatory and prospective spare parts, as well as on Turnaround Time (TAT), compared to the time presented in the Price Proposal

## **MODULE 3:** Performance of scheduled PDM services, as well as unscheduled maintenance, caused by events beyond FAB’s control, such as lightning strike, hard landing and bird strike, including structural repairs, and the provision of specialized labor, as well as of all repairable, consumable and workable material for the Brazilian Air Force’s C-130 aircraft, including inspection logs for full engines and REVO, as per USAF Maintenance Plan and Manuals. This module shall be executed upon demand (Time & Material – T&M), further to a formal request from the CONTRACTING PARTY, submission of a quote and payment of the specific invoice for the approved service, taking into account that performance shall be assessed based on execution time of each maintenance activity compared to time advised in USAF Manual, for PDM, and in the estimate, in case of unscheduled maintenance.

## **MODULE 4:** Supply of mandatory and prospective spare parts, and replacement of equipment and components, classified as repairable or workable, required per USAF Manuals for the maintenance of C-130 aircraft which may become necessary in scheduled pre-flight, inter-flight and post-flight maintenance and HSC, as well as in unscheduled maintenance, which may become necessary due to damages caused by incorrect or inadequate operation, performed by FAB teams and to be used by FAB’s operational teams, to make the aircraft available, including the installation of full engines and REVO systems on the aircraft, whereas specific material for the installation of full T56-15 engines, REVO and MAFFS system is excluded. This Module shall be performed upon demand (Time & Material – T&M), further to a formal request from the CONTRACTING PARTY, submission of a quote and payment of the specific invoice for the approved supply taking into account that performance shall be assessed based on supply tame for mandatory and prospective spare parts, as well as on Turnaround Time (TAT), compared to the time advised in the estimate.

## By choice and in the interest of pursuing the most advantageous proposal for the Administration, the CONTRACTING PARTY may provide the materials to be used in the services, in which case their value shall be deducted from the cost of services provided, and may not affect taxes, fees or any other costs charged over price of supplied materials.

## For all intents and purposes, this INVITATION FOR BID includes the following ANNEXs:

ANNEX I- BASIC PROJECT PLAN Nº 001/SDFC/2018 BSC;

ANNEX II- ACCREDITATION FORM TEMPLATE;

ANNEX III- CONTRACT DRAFT;

## The services referenced in this INVITATION FOR BID must be provided through a indirect execution Regime, based on **Unit Price** (General Index- IG), due to the demand for the different modules, which may arise at different times and in different amounts, as per Annex I- BASIC PROJECT PLAN.

# PARTICIPATION REQUIREMENTS

## Interested companies, registered with the BACW, or not, operating in the field contemplated by this Bidding Process, may participate in the bidding process, in accordance with its founding document.

## Companies forming a consortium may participate in this BIDDING PROCESS, provided they fulfill the conditions noted in this BIDDING PROCESS.

## Companies that are subject to the conditions listed below may not participate in this bidding process:

## Bankruptcy, judicial reorganization or extra-judiciary reorganization;

## Company dissolution or liquidation;

## Suspension from participating in bids with the Brazilian Government, or companies with a contractual failure record with the BACW within the past 03 (three) months;

## Suspension from participating in bids with the Brazilian Federal Government; and

## Declaration of unfitness to enter into an agreement with the Public Administration (Brazil);

# PARTICIPATION OF COMPANIES FORMING A CONSORTIUM

* 1. When it comes to a Consortium, participation is subject, in addition to the requirements contained herein, to the fulfillment of the conditions set forth in Art. 33 of Law Nº 8,666/1993 as well as of the following requirements:
		1. There will be no limit on the maximum number of participants, for the formation of the Consortium;
		2. Submission- by each company in the consortium, of the qualification documents required per item 6 of this Bidding Announcement, except when the bidding announcement itself expressly allows the submission of the above document by merely 1 (one) of the consortium members;
		3. Inclusion, in ENVELOPE 1, which features the Bidder’s qualification documentation, of the relevant letter of commitment to the formation of a consortium, public or private deed of undertaking- undersigned by its partners, through their legal representatives invested with the power to do so, with their signatures duly notarized, providing a clear description of each partner’s participation in the consortium;
		4. Clear indication, in the by-laws of the above consortium, of the company responsible for the consortium before the granting authority, i.e. the Consortium’s leading company, where such leadership must necessarily fall upon a Brazilian company, if there are both Brazilian and foreign company within the same consortium, in accordance with Article 33, Paragraph 1 of Law No. 8,666/1993;
		5. Indication of each partner’s participation percentage, in full compliance with Art. 33 of Law Nº 8,666/1993;
		6. Companies (including their partners, controlled companies, controlling companies, or other company under shared controlled), are prohibited from participating in more than one investment fund (including its manager), in more than one consortium, as well as any other corporate configuration resulting in the submission of more than one proposal by the same company or investment fund.
	2. Companies forming the consortium shall be jointly responsible, before public authority, for the actions performed as part of the consortium, or in connection with the commitment to its formation, both at the bidding stage and in the performance of the contract, in case the consortium should be the winning bidder.
	3. Before Contract signature, the winning bidder should promote the consortium’s incorporation and registration with the relevant Board of Trade, as set forth in this Invitation for Bid, considering that participation levels must remain identical to those stated in the Consortium by-laws, as regards its capital.
	4. The inclusion, replacement or withdrawal of other partners forming the Consortium will not be accepted until Contract signature.
	5. The disqualification or failed accreditation of any consortium partner shall automatically cause the disqualification or failed accreditation of the consortium from this Bidding Process.
	6. Requirements concerning proof of technical qualification and technical-professional qualification must be addressed by the consortium, in the manner described in the items and in the INVITATION FOR BID.
	7. If an administrative sanction is applied, in connection with the obligations undertaken due to bidding participation, the consortium partners’ shared responsibility shall cease:
		1. If the consortium is the winning bidder, after Contract signature.
		2. If the consortium is not the winning bidder, within 30 (thirty) days of Contract signature.
	8. Changes to the Consortium’s by-laws or structure, if it is the winning bidder, during Contract execution, to preserve exceptional situations in which public interest warrants such changes, shall be subject to cumulative proof of the following requirements:
		1. Evidence of the new facts from the Consortium, which occurred after Contract Signature, justifying the change;
		2. The Consortium must continue to fulfill all requirements demanded at time of qualification phase, as set forth in this Invitation for Bid;
		3. The companies’ new participation percentages in the consortium structure do not compromise the execution of the Contract Object, nor do they invalidate the bidding process;
		4. The existence of a motivated decision by the Administration clarifying and accepting the reasons for the change and recognizing the existence of new facts, which were not in place at the time of the Bid, causing the delay in the request for modification after awarding the Bid; and
		5. Manifestation that the new Consortium structure, at the time of the Bid, would have granted it winner status alone.

# QUALIFICATION/ACCREDITATION

## The bidder, or its legal representative must provide personal identification before the BIDDING COMMISSION (CPL) on the date, and at the time and place shown in the Preamble of this INVITATION FOR BID for the purpose of recording all participants in this bidding process, with photo ID or other identification document issued by the government or state, in conjunction with a power-of-attorney signed by the participating company representative, ensuring full powers to express opinions during the procedure (this document must be available outside of the envelopes containing qualification documents and price proposals).

### Failure to submit any registration documents, or improper document submission, does not prevent bidder participation. However, it will prevent the representative from speaking on behalf of the Bidder

## The Bidder representative may be any individual accredited based on the company’s certificate of incorporation, public and private power-of-attorney verified by a notary, or other equivalent document.

### The Bidder representative’s authority to represent the bidder before third parties must be stated in the company documents or its certificate of sole proprietorship.

### The power-of-attorney must describe all necessary attributions enabling the representative to submit a proposal and perform all actions related to the bidding process; it must be presented with company documents or founder’s certificate of ownership.

## Each registered representative may represent only 1 (one) bidder

# ENVELOPES COM DOCUMENTOS DE QUALIFICAÇÃO E PROPOSTAS DE PREÇOS

## Each bidder must submit **3 (three) envelopes**, the **1st (first) containing Qualification Documents, the 2nd (second) containing the Technical Proposal and the 3rd (third) containing the Price Proposal.**

## The sets of documents pertaining to qualification, technical proposal and price proposals shall be delivered separately, in sealed envelopes, which will be initialed on the tab and identified with the bidder’s name

## Bidders are encouraged to use the label template below to mark and identify their envelopes.

**ENVELOPE Nº 01 – QUALIFICATION**

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

INVITATION FOR BID Nº 181301/CABW/2018

COMPANY NAME

**ENVELOPE Nº 02 – TECHNICAL PROPOSAL**

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

INVITATION FOR BID Nº 181301/CABW/2018

COMPANY NAME

**ENVELOPE Nº 03 – PRICE PROPOSAL**

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

INVITATION FOR BID Nº 181301/CABW/2018

COMPANY NAME

## The ENVELOPE N° 01 - QUALIFICATION, ENVELOPE No. 02 - TECHNICAL PROPOSAL and the ENVELOPE N° 03 - PRICE PROPOSAL must mandatorily be placed inside a larger envelope, which must be addressed to the BIDDING COMMISSION. The name and address of the bidder must be shown in the upper-left hand corner of the envelope, and include the Bidding Number, as well as the time and place of the Open Session for the Bidding process, per the following template:

**C/O OF BIDDING COMMISSION – BID # 181301/CABW/2018**

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

1701 22nd Street N.W. Washington, DC 20008

SESSION OF **June 4, 2018 9:00 a.m. (EST)**

(US Standard Eastern Time)

### The envelope may be delivered by mail or other similar shipping service, with tracking and delivery confirmation. The envelope must be delivered in time for open session at 09:00 a.m. (Eastern Standard Time) of June 4, 2018 9:00 a.m. (EST)

### Prior to the time of the Open Session, Bidders are encouraged to notify its envelopes’ tracking numbers to the BIDDING COMMISSION by emailcon@cabw.org.

### Late envelopes addressed to the BIDDING COMMISSION, delayed by delivery problems or improper identification, shall not be taken into consideration.

### The BACW does not accept responsibility for mistakes caused by improper envelope identification.

### If the envelope is sent by Mail, the bidder must include the INVITATION FOR BID Number on the outside of the envelope, so that the package may be identified when it arrives at the BACW. (Please note: some mailing services allow the bidding number to be included in the REFERENCE field).

### Envelopes may also be delivered in person to the BIDDING COMMISSION at the beginning of the open session.

# QUALIFICATION (ENVELOPE # 01)

## The qualification envelope must show the Bidder’s legal representative identification data, as per ACCREDITATION FORM TEMPLATE, ANNEX II.

## All documentation for ENVELOPE No. 1 must be submitted in **ENGLISH**.Documents issued in a language other than English, must be submitted along with a certified and notarized translation.

## On the **ACCREDITATION FORM**, the Bidder must include the following, at the very least:

### Bidder’s Business Name;

### Bidder’s Full Address;

### Bidder Representative’s Full Name;

### Legal Representative must possess Power-of-Attorney, in accordance with this INVITATION FOR BID;

### Legal Representative’s ID number (for example, General Registry ID card number, or National Driver License Number, Passport number, or any other government-issued photo ID).

### Legal representative’s email address.

## Bidders must also submit QUALIFICATION ENVELOPES for their **Legal Qualification**:

### Present proof of **Federal Tax identification number** (e.g. national registry of legal entities (CNPJ), Federal Identification Number (FEIN), Tax ID Number (TIN).

### 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;

### 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.

### For Brazilian companies, the documents referenced in the above sub-items 7.4.1, 7.4.2 and 7.4.3 may be replaced by **SICAF (Brazilian Unified Suppliers Registration System)** with valid dates, or alternatively the documents prescribed in articles 27 through 32 of Law 8.666/93.

## Bidders must also present the following documents in a QUALIFICATION ENVELOPE, for the purpose of **Technical Qualification**:

## Present **ANAC Certificate**, Cell Category, Class 4, RBAC N. 145, or equivalent certificate from a civil certification agency or other outside Brazil, or COMAER Certificate, specifically authorizing the performance of C-130 aircraft maintenance, or document equivalent to a COMAER certificate from outside Brazil.

## Certificates issued by agencies other than ANAC, COMAER or a similar agency, must be accompanied by the respective bilateral safety agreement for civil aviation safety, or bilateral aeronautical certification agreement, or agreement for the mutual recognition of maintenance functions, all between a Brazilian agency and equivalent agency in the country of origin. For the purposes of qualification, the Certificate shall only be valid if it specifically states that it was issued for C-130 aircraft.

## The CONTRACTED PARTY and -if applicable- the subcontracted party’s technical qualification requirements must abide by the provisions of Art. n°37, Line XXI of the Federal Constitution, Art. 3°, Paragraph 1°, Line I, and 30, Line II, of Law N° 8.666 from 1993 and further modifications, as well by the TCU’s Abstract N° 247.

### **Competency Certificate** approved by an Aeronautical Authority in Brazil or outside Brazil, for the performance of technical-operational activities relating to and consistent with the characteristics, quantities and timelines described in the Basic Project Plan.

### Document proving **maintenance and service center** in accordance with the definitions of the aeronautical authority as required in the state or country in which Bidder is based.

## Bidders must also present the following in their QUALIFICATION ENVELOPE for their **Technical-Professional Qualification**:

## The CONTRACTED PARTY must be legally incorporated, accredited and certified, before the government, specifically to operate in the field of aeronautical maintenance.

## The CONTRACTED PARTY any subcontracted companies must have access to a **mechanical or aeronautical engineer** in charge of and accountable for the services provided.

## The above-mentioned engineers must be registered with the Regional Engineering Council (CREA), or other equivalent agency, if the CONTRACTED PARTY is headquartered outside Brazil.

## Similarly, engineers must be accredited with the above Agency as the BIDDER’S and subcontracted company’s responsible engineers.

## Submit proof of havingtechnical library, as well as the respective contracts to update the technical publications and manuals required to provide the service.

## At its discretion, the CONTRACTING PARTY may supply USAF Technical Publications as well as their updates. However, this in no manner exempts or distinguishes the BIDDER’S responsibility as regards its obligation to provide **the proof requested herein**.

## The CONTRACTED PARTY must present its Quality Manual, proving the existence of Quality Guarantee Systems, including -at least:

## Receipt procedures;

## Disassembly;

## Inspection;

## Repair

## Preservation;

## Assembly;

## Packaging;

## Shipping;

## Warehousing and installation;

## The systems referenced in the submission of the **Quality Manual** shall assure the traceability of all material and information.

## Traceability must include, at the very least, the use of maintenance logs, stamps, labels, progress reports and respective notes.

## The Quality Guarantee Systems must also ensure that no spare part, equipment or component shall be used without undergoing proper inspection.

### These Systems must be able to immediately identify defects, tendencies or conditions which may result in unsatisfactory quality of the services, and to take the necessary corrective measures in a timely and efficient manner.

### The defects- and associated corrective measures- must be recorded and logged at a separate location, specifically established for this purpose.

## To speed up the process of assessment of technical documentation, the BIDDING COMMISSION requests that documents be identified per module and per item of this Invitation for Bid.

### Failure to properly identify documentation does not preclude the Bidder’s participation.

## **All pages included in ENVELOPE 1 – QUALIFICATIONS must be numbered and initialed by a legally accredited representative without corrections or erasures.**

## In ENVELOPE Nº 1 – QUALIFICATION, all content must be digitalized and also submitted in digital form- PDF format.

### The PDF may be included in ENVELOPE Nº 1 – QUALIFICATION- in a CD-ROM or pen drive, at the BIDDER’s discretion.

## Considering the complexity of the services to be rendered, the BIDDING COMMISSION may forward the qualification documents to CELOG’s technical department for the purpose of obtaining a conclusive technical opinion regarding the qualification of the Bidders participating in this Bidding Process.

## The required certificates or statements must be valid if an expiration date applies.

## Proof that the required documents have been submitted shall not be accepted in replacement of the documents required in this INVITATION FOR BID and its ANNEXs.

# TECHNICAL PROPOSAL (ENVELOPE # 02)

## The Technical Proposal must be prepared and submitted in **ENGLISH;** it must be clear, without corrections or erasures, duly dated and signed, with all pages initialed by the bidder representative.

### Documents issued in a language other than **ENGLISH** must be complemented by certified, notarized translations.

## The Technical Proposal shall be evaluated to obtain the **Technical Index (IT).**

## According to item 21.2.3 of the Basic Project Plan, the technical requirements shall be weighted at 40%.

## In this manner, for the purposes of obtaining a Technical Index (IT), the BIDDER must submit its TECHNICAL PROPOSAL, taking into consideration the technical requirements listed in ANNEX I, Basic Project Plan, item 21.2.4. and its sub-items.

### The TECHNICAL PROPOSAL must be presented in accordance with the table presented in ANNEX B to the Basic Project Plan, TECHNICAL ASPECTS.

# PRICE PROPOSAL (ENVELOPE # 03)

## The proposal, which must be typed and written in **ENGLISH, and presented in US dollars**, must be clear, without corrections and erasures, duly dated and signed, with all its pages initialed by the bidder representative.

## Prices offered must include all expenses associated with supplying the product, directly or indirectly, including but not limited to: all costs such as fees and/or taxes in accordance with the BASIC PROJECT PLAN, social contributions, expenses, insurance, workers compensation, civil responsibility insurance, labor, social security, fiscal, administrative fees, equipment, materials and any and all other costs or fees associated with the execution of the object of the CONTRACT, as per the INVITATION FOR BID and its ANNEXES.

##  The information supplied by the bidder must reflect all costs.

## Costs identified as financing or other unspecified terms shall not be accepted in the Price Proposal.

## Tax rates identified by the BIDDER may not exceed the limits established by the applicable fiscal legislation.

## Proposal validity may not be inferior to **60 (sixty) days** starting on the date on which Price Proposals are opened.

## Under no circumstance must the content of the proposals be modified, with regard to prices, or any other terms or conditions implying a change to the original proposal. Exceptions are permitted when the modifications are formal in nature, aiming to resolve immaterial errors, without substantially altering the content or referenced terms and conditions, and provided that they do not adversely affect other bidders.

### The above modifications must be submitted to the Bidding Commission for review.

### The Bidding Commission may proceed to correct the highlighted errors, or may require that the Bidder submit a corrected proposal.

## No complaints regarding proposals shall be accepted after entry into the meeting minutes for the Bid. After the qualification phase, withdrawal of proposals will not be permitted, unless due to unforeseeable facts accepted as such by the Commission.

## The Price Proposal shall be evaluated to obtain the **Price Index (IP).**

## As per item 21.2.3 of the Basic Project Plan, the financial requirements shall be weighted at 60%.

## Thus, in order to obtain a **Price Index (IP),** the BIDDER must present a PRICE PROPOSAL taking into consideration merely the financial aspects listed in ANNEX I, Basic Project Plan, item 21.2.5 and its sub-items.

### The PRICE PROPOSAL must be prepared in accordance with the table shown in ANNEX B to the Basic Project Plan, FINANCIAL ASPECTS.

# ESTIMATED BUDGET

## The estimated budget for the object of this INVITATION FOR BID shall be USD **98,980,593.81 (ninety-eight million, nine hundred eighty-thousand, five hundred and ninety-three dollars and eighty-one cents).**

## For the purposes of conversion, the rate of one US Dollar to R$ 3.30 should be used, as per ANNEXs D, E and F of the Basic Project Plan.

## Total estimated amount is based on the estimated amounts for each Module, as follows:

|  |  |
| --- | --- |
| MODULE | ESTIMATE |
| MODULE 01 | USD 76,452,468.81 |
| MODULE 02 |
| MODULE 03 | USD 15,018,750.00 |
| MODULE 04 | USD 7,509,375.00 |
| TOTAL  | USD 98,980,593.81 |

# PROCEDURE FOR OPENING ENVELOPES

## The proposal judgment, once all conditions and technical specifications established in this INVITATION FOR BID are met, shall be processed based on **technical and price criteria.**

## At the time, date and place indicated in this INVITATION FOR BID, in an open session, in the presence of all bidders, the Bidding Commission shall receive sealed envelopes (item 6.4), containing **Envelopes n.º 01 e n.º 02 and nº 03** and start the Bidding Process.

### Anyone may be present at these public sessions, but only bidders and their accredited representatives may participate in the meeting, interacting with the Bidding Commission.

## Once the deadline for submitting documents has expired, no other documents shall be accepted, or further addenda or clarification concerning the qualification documentation, the technical proposal or price proposal submitted.

## **After identifying the Bidders, the Bidding Commission shall proceed to open Envelopes nº 01 - QUALIFICATION.**

### The content of the envelopes must be initialed by members of the Bidding Commission and by all present Bidder’s representatives.

## Bidder qualification shall be verified, in accordance with the terms of this INVITATION FOR BID.

## Should the Bidding Commission deem it necessary, it may postpone the public session, for the purpose of analyzing the documents submitted by the bidders, at which time it must inform all bidders of the time and place of the new meeting.

##  Taking into account the complexity of the services to be provided, the BIDDING COMMISSION may submit to **CELOG** the documents pertaining to qualification for the purpose of receiving a definitive technical opinion regarding the qualification of participating bidders.

### Considering the situation described in the above item, if the Bidding Commission deems it necessary, it may postpone the open session, for the purpose of analyzing the documents submitted by the bidders, at which time it must inform the bidders of the time and place for the new meeting; all initialed qualification documents, as well as Envelopes 2- Technical Proposal and Envelopes 3- Price Proposals- with the initials of all members of the Bidding Commission and all present Bidders, shall be kept by the Bidding Commission until completion of the qualification phase.

## Disqualified bidders shall have their Envelopes nº 2 and nº 3 returned still sealed, after the legal timeframe for appeals has expired without the submission of any appeals, or their removal shall be subject to an adverse decision further to their appeal.

## After analyzing qualification documents, a timeframe of 5 (five) business days shall be granted to the bidders for the submission of possible appeals. After that, a new date for the opening of the technical proposals shall be announced.

### In exceptional circumstances, the opening of the technical proposals may occur during the same meeting, in the following cases:

### All Bidders are present and waive their right to appeal.

### Should the Bidding Commission consult the candidates who are not present at the meeting, and they waive their right to appeal.

## If any other bidder does not waive the right to appeal during the qualification phase, Envelope nº 2 – Technical Proposal and Envelope nº 3 – Price Proposal, shall be initialed and stored in a safe place until the date set for their opening.

## After completing the qualification phase and opening all proposals, bidders may not be disqualified for any reason associated with this phase, except until after the classification of proposals.

## **After the qualification phase, the Bidding Commission shall proceed to open Envelopes nº 02 – TECHNICAL PROPOSAL.**

### The content of the envelopes must be initialed by all members of the Bidding Commission and all Bidder representatives present in the open session.

## The Bidders’ TECHNICAL PROPOSAL shall be examined, in accordance with this INVITATION FOR BID.

## In this phase, the Bidding Commission shall send the technical proposals to **CELOG** for the purpose of obtaining a definitive technical opinion regarding the technical proposals of all participating Bidders.

## After the technical proposals have been examined, the outcome shall be informed to all participating BIDDERS.

## Considering the situation described in the above item, the Bidding Commission shall forward the technical proposals to CELOG’s technical department with all document that formed the technical proposal already initialed, and Envelopes nº 3 – Price Proposals- initialed by the present Bidders, as well as by the members of the Bidding Commission, shall be kept by the Bidding Commission until completion of the technical proposal phase.

## After disclosing the analysis of the technical proposals, a timeframe of 5 (five) business days shall be granted to the bidders for the submission of possible appeals. After that, a new date for the opening of the price proposals shall be announced.

## After completion of the technical proposal phase, and opening all proposals received, the Bidders may not be disqualified for any reason connected to this phase, except in case of unforeseen events, or facts learned after proposal judgment.

## **After the technical proposal phase, the Bidding Commission shall proceed to open Envelopes nº 03 – PRICE PROPOSALS.**

### The content of the envelopes must be initialed by all members of the Bidding Commission and by all present Bidder representatives.

## The Bidders’ PRICE PROPOSALS shall be verified, in accordance with the terms of this INVITATION FOR BID.

### Should the Bidding Commission deem it necessary, it may postpone the open session, for the purpose of analyzing the documents submitted by the bidders, at which time it must inform all bidders of the time and place set for the new meeting.

###  Taking into account the complexity of the services to be provided, the BIDDING COMMISSION may submit to **CELOG’s** technical department the documents associated with the PRICE PROPOSAL, for the purpose of obtaining a definitive technical opinion regarding the price proposals received from the participating Bidders.

### Considering the situation described in the above item, if the Bidding Commission should deem it necessary, it may postpone the open session, for the purpose of analyzing the documents submitted by the bidders, at which time it must inform all bidders of the time and place set for the new meeting. All price proposals documents which have already been initialed shall be kept by the Bidding Commission until completion of the proposal phase.

## The Bidders’ Price Proposals shall be ranked in accordance with the requirements of this INVITATION FOR BID.

## If all participants are disqualified with regard to their qualification documents, or if all technical and/or price proposals are disqualified, the Bidding Commission may grant a 3 (three) business day period for the submission of new documentation or proposals to the Bidding Commission.

## During all open sessions, Meeting Minutes shall be prepared and signed by the members of the Commission and by the legal representatives of the present Bidders.

# QUALIFICATION DOCUMENTS REVIEW

## Bidders shall be disqualified if:

## They submit documents required by this INVITATION FOR BID which are already expired and/or have not been properly updated and/or do not comply with the requirements of this INVITATION FOR BID.

## They include the Price Proposal in Envelope nº 01.

## They include the Technical Proposal in Envelope nº 01.

## Bidders shall be informed of their qualification or disqualification through publication on the BACW website, as well as through submission of the Meeting Minutes for the Open Session through the accredited legal representative’s email and additionally through publication on the Official Gazette (DOU). If the Bidder, or its representative, participates at the open session in which the decision was taken, such notification shall be made directly to the Bidder, or its representative, and recorded in the Meeting Minutes.

# TECHNICAL PROPOSAL REVIEW

## The criteria for reviewing the technical proposals shall be the **number of points in the Technical Index (IT)**, as per item 21.2.4.4 and 21.2.4.5 of the Basic Project Plan, ANNEX I to this INVITATION FOR BID.

## Bidders shall be disqualified if:

### They do not comply with item 8 of this INVITATION FOR BID;

### If the proposal is flawed or illegible, if it is not specific or presents irregularities or errors which make its review difficult;

### If it fails to comply with any of the requirements set forth in this INVITATION FOR BID or in the Basic Project Plan;

### If it includes the Price Proposal in Envelope nº 02.

## Bidders shall be notified of the outcome of the evaluation of price proposals through publication on the BACW as well as through submission of the Meeting Minutes from the Open Session to the accredited legal representative’s email and additionally through publication on the Official Gazette (DOU). If the Bidder, or its representative, participates at the open session in which the decision was taken, such notification shall be made directly to the Bidder, or its representative, and recorded in the Meeting Minutes.

# PRICE PROPOSAL REVIEW

## The criteria for reviewing price proposals shall be the **number of points in the Price Index (IP)**, as per item 21.2.5.8 of the Basic Project Plan, ANNEX I to the INVITATION FOR BID.

## A Proposals shall be DISQUALIFIED if:

### It does not comply with item 9 of this INVITATION FOR BID;

### If the proposal is flawed or illegible, if it is not specific or presents irregularities or errors which make its review difficult;

### If it fails to comply with any of the requirements set forth in this INVITATION FOR BID or in the Basic Project Plan;

### If it includes any advantage which is not established in this INVITATION FOR BID, such as subsidized financing;

### If they feature unrealistic prices, meaning their viability cannot adequately be demonstrated through supporting evidence to prove that the costs are consistent with market prices and that productivity is consistent with fulfillment of the object;

### In these circumstance, per the above item, should the proposal feature unrealistic prices, meaning their viability cannot adequately be demonstrated through supporting evidence to prove the costs are consistent with market prices, and that productivity is consistent with the fulfillment of the object, the Bidder shall have 2 (two) business days to demonstrate the prices shown in its proposal are viable, under penalty of disqualification.

## If there are signs of unrealistic prices in the proposals, or if further clarification becomes necessary, diligences may be made by the Bidding Commission.

## Once it is ascertained that the price proposal does not meet the requirements set forth in the previous items, it shall be disqualified, and the remaining proposals shall be qualified in descending order from highest to lowest number of points**.**

## Bidders shall be notified of the outcome of Price Proposal evaluation through publication on the BACW website, publication on the Official Gazette (DOU), as through submission of the Meeting Minutes from the Open Session to the accredited legal representatives’ emails, whose price proposals were opened.

### Should any bidder, or its representative, be present at the Bid open session, in which a decision was made, this notification shall be made in person to the bidder and recorded in the meeting minutes.

# PROPOSAL RANKING

## Final ranking of proposals shall occur in accordance with the scoring procedures described in the Basic Project Plan, ANNEX I, for the Technical Index (IT) and Financial Index (IP), which shall provide each Bidder’s **General lndex (IG),** as per ANNEX C to this Basic Project Plan, ANNEX I to this INVITATION FOR BID.

### In case of a tie between proposals, a draw will be conducted. The names of the tied bidders shall be placed in a sealed box, from which they will be extracted and classified based on the order in which they were drawn.

### After thirty minutes the draw will be conducted regardless of whether the companies or their representatives are present.

## Bidders shall be notified of the outcome of the Bid through publication on the BACW website, publication on the Official Gazette (DOU), as well as submission of the Meeting Minutes to the emails of the accredited legal representatives whose proposals were opened.

# RATIFICATION (“HOMOLOGATION” AND BID AWARD (“ADJUDICATION”)

## The services contemplated by this Bidding Process shall be globally awarded to the Bidder with the highest **General Index (IG).**

## The bidding process shall be submitted to the relevant higher-ranking authority for the purpose of Bid Award and ratification to the winning bidder.

# CONTRACT

## After approval of the bid, the winning bidder (the ‘CONTRACTED PARTY’) shall have 5 (five) business days, from the date of notification, to sign the CONTRACT attached as per ANNEX III, under penalty of losing the right to a contract, as well as being subject to the sanctions established in this INVITATION FOR BID and other sanctions or damages available based on applicable law.

## The provisions in the previous subitem may be extended to an additional period of 5 (five) business days, if requested by the CONTRACTED PARTY, and approved by the Administration (CONTRATACTING PARTY), at its sole discretion.

## The Administration (CONTRATACTING PARTY) shall have the option of contacting the remaining participants, should the winning bidder not sign the CONTRACT, in the established terms and conditions, in accordance with classification order. It may do so at the same terms and conditions proposed by the winning bidder, also as regards to updated prices, in accordance with the Invitation For Bid.

## The BACW may also revoke the BIDDING PROCESS, despite the penalties established in this INVITATION FOR BID.

## Upon signing the CONTRACT, the CONTRACTED PARTY declares its express agreement with the BASIC PROJECT PLAN.

## The CONTRACTED PARTY must maintain all qualification conditions required during the bidding process through the execution of the CONTRACT, in accordance with the obligations it has undertaken.

## The CONTRACTED PARTY shall be responsible for any and all expenses associated with the CONTRACT.

# SUBCONTRACTING

## The maximum limit for subcontracting the execution of this object is 50% (fifty percent), calculated based on the Contract amount, in accordance with item 13 of the Basic Project Plan, ANNEX A.

## Subcontracting must be authorized by the CONTRACTING PARTY’S EXPENSES SUPERVISOR, through a technical opinion issued by the MONITORING department, alongside specification of activities to be subcontracted and the timeframe in which they will be performed;

## Subcontracted companies must possess all technical qualification requirements set forth in the BASIC PROJECT PLAN, ANNEX A, based on activity to be performed.

## The CONTRACTED PARTY shall be legally and contractually responsible before the CONTRACTING PARTY for the subcontracted services. Any communication and/or clarification shall take place directly between the CONTRACTING PARTY and the CONTRACTED PARTY. Communication and/or clarification with/from subcontracted companies shall be the CONTRACTED PARTY’s sole responsibility.

## The CONTRACTED PARTY shall be legally and contractually responsible before the CONTRACTING PARTY for the subcontracted services. Subcontracting is the CONTRACTED PARTY’s full and joint responsibility, answering in full for its guarantees, not just as regards the services and timeframes, but also insurance coverage against any claims, in case of breakdowns or damages associated with the services performed by the subcontracted company.

## Subcontracting is restricted to the maintenance services provided for components and equipment used on FAB aircraft, except for full T56A-15 engines, and for REVO and MAFFS systems.

## The provision of aircraft maintenance services, as established by Modules 1 and 3 may not be subcontracted and must be performed in full by the CONTRACTED PARTY.

## Should subcontracting become necessary, as per Art. 72 of Law 8.666 from 1993, the following recommendations must be followed:

## The CONTRACTED PARTY shall bear the risks and onus associated with the subcontracting, including but not limited to the Quality Guarantee provided for the service performed.

## The CONTRACTED PARTY must provide the CONTRACTING PARTY, through the CONTRACT MONITOR, with all information required of it on the service, as well as of the subcontracted parties.

## The CONTRACTED PARTY shall not be exempt from its contractual responsibilities or obligations when, as a consequence of any type of renegotiation with the subcontracted companies, it becomes unable to fulfill any of the obligations set forth in the contract.

# TERMS

## Validity Term

### This Contract’s validity term shall be **60 (sixty) months** starting on signature date.

### Under exceptional circumstances, with proper justification and approval by a higher-ranking authority, the validity term may be extended by 12 months, as per §4º of Art. 57 of Law Nº 8,666/93.

## Execution Time

### The Contract’s execution time shall be **58 (fifty-eight) months,** starting on the issue of the respective Service Order, i.e. the document signed by the CONTRACTING PARTY’s legal representative, authorizing the commencement of service performance.

### The issuance of a Service Order is subject to the submission of a financial guarantee for Contract Execution.

## Receipt Timeframe

## Temporary receipt, which shall be formally entered into a TEMPORARY RECEIVING CERTIFICATE, falls to the Contract’s COMREC, as soon as it receives a part of the OBJECT.

## After temporary acceptance, the CONTRACTING PARTY shall start the final acceptance of services by performing an inspection, within 10 (ten) days, for the purpose of evaluating physical condition, quality certificates and maintenance logs for FAB aircraft or for the spare parts, equipment and components used in the layout of FAB aircraft.

## Non-conformities encountered by the CONTRACTING PARTY during final acceptance procedures must be notified to the CONTRACTED PARTY within 10 (ten) days of the final acceptance deadline, and must be resolved by the CONTRACTED PARTY in an equal amount of time, further to notification. Should a grave DISCREPANCY be encountered, this timeframe may be extended, provided it is duly justified in writing.

## The inspection of the services rendered on an aircraft shall be completed at the location in which the CONTRACTED PARTY performs the service, and the inspection of spare parts, equipment and components used in FAB aircraft, except for full T56A-15 engines, REVO and MAFFS systems shall be performed at final destination, i.e. at ALA 11, Rio de Janeiro – Brazil.

## Final acceptance shall be recorded in a FINAL RECEIVING CERTIFICATE, which shall be issued within a 10 (day) period of inspection performance.

### The deadline for receipt of the object shall comply with the procedural standard established in ICA 65-8 and ICA 12-23.

## Payment Processing Time

### The payment period will be up to 30 (thirty) calendar days from the date on which the ACCEPTANCE CERTIFICATE is submitted, and shall occur in accordance with item 12.3 of the Basic Project Plan, ANNEX I to the INVITATION FOR BID.

### The timeframe for receiving the object shall be in accordance with the procedural standard set forth in ICA 65-8 ICA 12-23.

# FINANCIAL GUARANTEE

## A financial guarantee shall be required of the CONTRACTED PARTY, in the amount of **5% (five percent)** of total Contract Value, within 10 (ten) days of CONTRACT signature, to enable signing the SERVICE ORDER. The CONTRACTED PARTY shall provide a financial guarantee in US dollars (USD).

## Any guarantee which fails to cover all possible risks and damages associated with Contract Execution shall not be accepted.

## The financial guarantee shall be valid throughout Contract duration.

## If the guarantee amount is used, in full or in part, the CONTRACTED PARTY must replenish the respective amount within 5 (five) business days from receipt of notification.

## After CONTRACT conclusion, further to issue of the last Final

## Receiving Certificate, and verification that all CONTRACTED PARTY obligations have been fulfilled completely, the guarantee shall be released and returned.

## All costs associated with the financial guarantee shall be borne by the CONTRACTED PARTY.

## If the Contract is amended, the financial guarantee must be extended to reflect CONTRACT expiration date.

# TECHNICAL GUARANTEE

## The technical guarantee will abide by the provisions in item 10 of the Basic project, ANNEX I to the INVITATION FOR BID.

# PERFORMANCE LOCATION

## Performance location is described in item 9 of the Basic Project Plan, ANNEX I to the INVITATION FOR BID.

# CHANGES TO THE CONTRACT

## The CONTRACT may be unilaterally altered by the CONTRACTING PARTY in the following situations:

## If the project or its specifications should change, to better suit its objectives from a technical standpoint.

## Should the Contract Amount require modification due to the quantitative increase or decrease of its Object.

## The CONTRACTED PARTY is bound to accept, at the same terms and conditions, all changes involving an increase or decrease in services of up to 25% of updated original Contract amount.

### Quantitative decreases exceeding twenty-five (25%) of the Contract amount may only be executed when both parts are in agreement.

## The CONTRACT may be amended by agreement between the parties in the following situations:

## If it is necessary to modify the execution regime for the good or service, or the means of supply, after verifying the original contractual terms;

## If it becomes necessary to alter form of payment, due to unforeseen circumstances, maintaining the original updated amount, excluding advance payment, as regards the fixed payment and delivery schedule, without the respective consideration for the provision of goods or execution of services;

## In order to reestablish the relation initially agreed upon by the parties between contractual obligations and payment from the Administration as just compensation for the service, for the purpose of maintaining the Contract’s initial economic and financial equilibrium, should unforeseen events occur, or foreseeable events of unforeseeable consequences, which delay or obstruct performance of the adjusted contract, or in case of force majeure, fortuitous event or factum principis, constituting extraordinary and extracontractual economic risk

# SUBJECTIVE MODIFICATION

## The CONTRACTED PARTY’s merger, split or incorporation with another legal entity is admissible, provided that the new legal entity complies with all the qualification requirements set forth in this INVITATION FOR BID, that the remaining contractual clauses are fulfilled, and the execution of the contractual object is not compromised, and that the Administration provides its explicit approval for continuation of the Contract.

# PRICE ADJUSTMENT

## In accordance with Art. 65, of 1993 Law 8666, the Contract may only be amended to reestablish the relation the parties initially agreed upon between the Parties obligations and their compensation by the Administration for a fair payment of the work, service or supply, thus maintaining the economic and financial equilibrium of the Contract; should unforeseen facts occur or foreseeable facts of unforeseeable consequences or in case of force majeure, fortuitous events or factum principis, constituting extraordinary and extra-contractual economic.

## The economic and financial equilibrium shall be based on the CONTRACTED PARTY’s formal proposal, and it shall be considered only after 12 months have lapsed from the time of Contract Signature.

## The physical-financial equilibrium shall be preceded by a request from the CONTRACTED PARTY, supported by a table with an analytical breakdown of the Contract’s cost components, showing the formation of the current price as well the price presented in proposal.

## The inclusion of advantages which were not featured in the initial proposal is forbidden, except when they have become mandatory due to a legal agreement, normative sentence, collective agreement or collective convention.

## A request to reestablish the economic and financial equilibrium shall only be taken into account through negotiation between the parties, taking into account:

## The occurrence of an unforeseeable fact, or foreseeable fact of unforeseeable consequences, which delays or prevents the execution of the agreement and its adequate characterization;

## The occurrence of a Force Majeure event, fortuitous event or factum principis, constituting extraordinary and extracontractual economic risk, and its adequate characterization;

## Proof of imbalance, through a request by the Contracted Party with two price formation tables, one for the initial Price Proposal and one for the New Price Proposal;

## The economic exam of the table through verification of the arithmetic calculation which led to the new price;

## The relevant preparation of calculation logs;

## Analysis of the new recalibrated price compared with market prices;

## The existence of a budget allocation to cover a possible Price change;

## A decision on the request must be finalized within a maximum timeframe of 60 (sixty days), starting on the date of delivery of proof of cost variation.

## In case of economic and financial equilibrium an amendment to the current Contract shall be drawn up.

## The timeframe referenced in the previous paragraph shall be suspended until the CONTRACTED PARTY fulfills its obligations or provides the documentation requested by the CONTRACTING PARTY to prove imbalance.

## The CONTRACTING PARTY can make diligences to verify the imbalance alleged by the CONTRACTED PARTY.

## The submission of a proposal of economic and financial equilibrium by the CONTRACTED PARTY does not imply acceptance by the CONTRACTING PARTY.

## Should the CONTRACTED PARTY not submit other adequately adjusted indices, the maximum adjustment amount shall be equivalent to CPI variation (Customer Price Index, issued by the Bureau of Labor Statistics – BLS) from the US Department of Labor)*.*

# PAYMENT

## Payment term shall be 30 (thirty) days starting on date of delivery of RECEIVING CERTIFICATE, with the Invoice, as per procedural standard established in ICA 65-8.

## An invoice shall be issued by the CONTRACTED PARTY in accordance with the following procedures:

## “Approval’ of the invoice is conditional upon the fulfillment of services described in the invoice presented by the CONTRACTED PARTY; and

## In case of failure to present necessary documents, or of a situation which prevents invoice payment, payment shall remain suspended until the CONTRACTED PARTY takes applicable measures to resolve all pending issues. In this case, the payment term shall take effect after pending issues are resolved by the CONTRACTED PARTY, without any cost to the CONTRACTING PARTY.

## The payment date shall be the date on which the wire transfer is processed by the CONTRACTING PARTY’S bank. The CONTRACTING PARTY shall not be responsible for any fees charged by the CONTRACTED PARTY’S financial institution.

## The CONTRACTING PARTY shall not be responsible for any expenses incurred by the CONTRACTED PARTY which have not been stipulated in the CONTRACT.

## Should the CONTRACTED PARTY wish to receive payment in another currency than US Dollars, it shall cover any currency exchange costs or other bank fees which may apply.

### Payments made in Brazilian currency shall be made at the Exchange rate in effect on the business day immediately preceding actual payment date.

## **Payment method entailing the use of items no longer used by FAB is described in item 12.3 of the Basic Project Plan, ANNEX A.**

# MONITORING

## The MONITORING must be performed by members of the Administration, specifically appointed by the Administration, in accordance with Law Nº 8.666 / 1993, ICA nº 65-8 / 2009, and ICA nº 12-23 / 2014, in order to monitor and oversee the CONTRACT to be performed

## MONITORING must comply with the provisions of this Invitation For Bid and Item 15 of the BASIC PROJECT, ANNEX I of INVITATION FOR BID.

# RECEIPT OF THE OBJECT

## The services contemplated by this INVITATION FOR BID must be received by COMREC in accordance with the technical specifications provided in BASIC PROJECT PLAN, ANNEX I.

### All proposals, questions, discrepancies and difficulties encountered during the execution of the CONTRACT, or issues requiring evaluation, must be submitted to the MONITORING team, for assessment by the CONTRACTING PARTY’S Expenses Supervisor.

# FORCE MAJEURE AND UNFORESEEABLE EVENTS

## Unforeseeable or Force Majeure events must be notified in writing the CONTRACTING PARTY’s EXPENSES SUPERVISOR, through the MONITORING team, so that it may decide the appropriate course of action, provided it has been proven that such events affected the services/materials provided in accordance with the Object of this CONTRACT.

## For the purpose of this CONTRACT, events shall be considered unforeseeable or Force Majeure, if they fit the legal definition provided in the single paragraph of Art. 393 of the Brazilian Civil Code, in accordance with Line II, §1º, Art. 57 of Law Nº 8.666/93.

# OBLIGATIONS OF THE CONTRACTING PARTY AND CONTRACTED PARTY

## The CONTRACTING PARTY and CONTRACTED PARTY’s obligations are set forth in the BASIC PROJECT PLAN, in the CONTRACT and in this INVITATION FOR BID.

# CONTRACT TERMINATION

## Reasons for CONTRACT termination, as well as the measures to be taken in this case, are described in the CONTRACT.

# CONFIDENTIALITY

## All CONFIDENTIAL INFORMATION must be used exclusively for the purposes of the CONTRACT and negotiations between the CONTRACTED PARTY and the CONTRACTNG PARTY, and the provisions set forth in the Basic Project Plan, ANNEX A, item 17.

# SUSTAINABILITY

## Any fixture, equipment or process of the CONTRACTED PARTY, which is located at a fixed site and releases or emits matter into the atmosphere, through emission points or fugitive emissions, and is used in the performance of the contract, must abide by upper emission limits for air pollutants allowed by CONAMA Resolution N° 382, dated 12/26/2006, and other relevant legislation, based on the pollutant and type of source, if located in Brazil, or other legislation, if located outside Brazil.

## During contract execution, as applicable, noise emission levels may not exceed acceptable limits set forth in Norm NBR-10.151 – Sound Evaluation in Residential Areas for the purpose of community comfort, issued by the Brazilian Association of Technical Norms– ABNT, or those set forth in NBR-10.152- Noise Levels for acoustic comfort, by the Brazilian Association of Technical Norms- ABNT, in the terms of CONAMA Resolution N° 01, dated 03/08/19090, and related legislation- if located in Brazil, or relevant legislation, if located outside Brazil.

## As per Article 4°, § 3°, of SLTI/MPOG Normative Rule N° 1, dated 01/19/2010, or relevant norm in the location of aircraft operation/maintenance, during contract execution, recycled aggregates must be used wherever their availability and supply capacity exist, provided the cost is lower than that of natural aggregates, per entry into the price and cost breakdown table.

# BUDGET ALLOCATION

## Expenses associated with the Contract shall be borne in accordance with the following budget classification **Program 0621** – Air Force Preparation and Employment; **Action 2048** – Supply and Maintenance of Aeronautical Material; Expense Nature (ND) 339030 (material) and ND 339039 (services); or other budget resource available to Project C-130.

# ADMINISTRATIVE SANCTIONS AND PENALTIES

## The application of administrative sanctions must take into account the gravity of the failure, its recurrence, the damage caused to Public Interest and the loss caused to the Administration.

## Failure to fulfill the CONTRACT in full or in part, or any breach of the obligations set forth in the CONTRACT, shall subject the CONTRACTED PARTY to the following penalties, without exclusion of other civil and criminal penalties, and to any and all damages and resources available to the contract by the CONTRACTING PARTY, in the terms of the CONTRACT or applicable legislation, ensuring due legal process:

## A WARNING is the administrative sanction which shall be applied when the CONTRACTED PARTY should breach, for the first time, the obligations associated with contractual timelines, or for the submission of an invoice with a mistake or in case of non-compliance of guidelines received from the MONITORING team within 48 (forty-eight) hours starting from the time of notification from the MONITORING team. In order to issue this Warning, a PAAI must be generated:

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

### 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:

## For total or partial non-execution of Contract:

## A fine may be applied for partial non-execution in the adjustment amount of 0.2% (two tenths of a percentage point), of the CONTRACT amount, if the CONTRACTED PARTY fails to comply with any amended condition of the CONTRACT; and

## If the CONTRACTED PARTY should cause termination, a fine will be applied for total non-execution of agreement in the amount of 10% (tem percent) of updated total CONTRACT value, without excluding a delinquency fine and any other sanctions set forth in Art. 87 of Law Nº 8.666/93.

## After ensuring the Contracted Party’s right to defense, within a period of 5 (five) business days, a fine for total or partial non-execution of the CONTRACT may be applied, in addition to the administrative sanctions set forth in Lines I, III and IV, of art. 87, of Law Nº 8.666/93.

## The CONTRACTING PARTY must inform the CONTRACTED PARTY of the amount to be collected, after exhausting all administrative appeals, and the right to ample defense; the CONTRACTING PARTY shall deduct the amount from balances to be paid from executed services.

## If the payment of the above items is not fulfilled, the owed fine shall be deducted, activating the CONTRACT financial guarantee.

## After the actions described in the previous items, should money still be owed for the payment of the fine, the CONTRACTING PARTY’S Expenses Supervisor (Chief or Deputy), if applicable, shall submit the process to the National Treasury General Attorney’s Office (PGFN), for analysis for the purpose of entering the sanctioned company in the Federal Unpaid Debt List [‘Dívida Ativa da União’-DAU] and/or allow judicial process, based on the amount owed.

## The application of a fine does not exempt the CONTRACTED PARTY from compensation for damages, losses and injuries it may cause the Administration through its punishable act, which also does not exclude the possibility other administrative penalties may be applied.

## The application of the above fines are subjected to appeal period of 5 (five) business days.

## Temporary suspension from participating in BIDDING PROCESS and impediment from entering into a Contract with the Administration shall be applied, within the COMAER, to the following degrees:

## **For up to 30 (thirty) days**:

## Non-compliance with timeframe established for corrective measures, as of application of warning sanction; and

## For the disruption of any action in open sessions of this BIDDING PROCESS.

## **For up to 3 (three) months:**

## Withdrawal of proposal, in the absence of a reason associated with an unforeseen event;

## Claim that the prices offered are inviable;

## Submission of an appeal as an obvious delaying tactic.

## **For up to 6 (six) months:**

## Refusal by the winning bidder, summoned with the valid timeframe of its proposal, to sign or accept the contract, or withdrawal equivalent instrument;

## Failure to submit a Contract financial guarantee, as per the INVITATION FOR BID;

## Repeated occurrence of a punishable act as established in sub-items 35.8.1 and 35.8.2 of this item, in under 24 (twenty-four) month;

## Application of a second administrative sanction fine within the same Contract;

## Application of two warnings and one fine, within the COMAER, within 12 (twelve) months, and failure by the supplier to undertake the necessary corrective measures in the timeframe prescribed by the Administration; and

## Application of two administrative sanction fines within the COMAER in 12 (twelve) months, and failure by the supplier to take the necessary corrective measures in the timeframe prescribed by the Administration;

## **For up to 12 (twelve) months:**

## If the CONTRACTED PARTY delays the execution of service without a reason, resulting in contractual termination;

## If the CONTRACTED PARTY does not pay/extinguish the fine in the established timeframe, in situations in which it is not possible to deduct its amount from the guarantee or the credits associated with the completed installments; and

### In case of repeated punishable defaults per description provided in sub-paragraph “35.8.3”, in less than 36 (thirty-six) months;

### **For up to 24 (twenty-four) months:**

### In case of unlawful act, for the purpose of interfering with the Bid Objectives, such as forming a cartel;

### Submission of ‘fraudulent’, ‘adulterated’, ‘false’ or ‘falsified’ documents”;

### Issue of a ‘false statement’;

### Final sentence of felonious tax fraud in the collection of taxes associated with the contract;

### Suspension of service without just cause and without notifying the Administration in advance;

### Delivery of ‘falsified’ or ‘adulterated’ supplies, using artifice to deceive the Administration;

### Repeated occurrence of punishable default as defined in sub-paragraph 35.8.4. in under 48 (forty-eight) months; and

### Repeated occurrence of punishable default as defined in subparagraph 35.8.4 in under 48 (forty-eight) months.

## For the purposes of this Bid, as regards the application of an administrative sanction for the temporary suspension from solicitations and debarment from entering into contracts with the Administration, the term ‘Administration’ should be interpreted as COMAER.

## Non-execution of the CONTRACT is defined as failure to complete the provision of services in accordance with the technical specifications provided in this INVITATION FOR BID.

## Inadequate behavior is defined as the intentional attempt to deceive or corrupt the Administration, or any of its agents, for the purpose of obtaining illicit advantages.

## The PAAI pertaining to the Declaration of Unfitness shall be sent to the Defense Ministry, per the appropriate chain of command, after issue of opinion by COJAER, given the State Minister’s exclusive competence in applying sanctions. The sanction may be applied in any of the following ways:

### If the company has received a final sentence due to the practice of fiscal fraud with felonious intent in collection of any taxes.;

### If the company or professional committed an unlawful act, for the purpose of interfering with the bidding process’s objectives;

### If the Administration should verify that the company or professional is not, in fact, fit to enter into a Contract due to unlawful committed by it; or

## If the Brazilian Audit Court [‘Tribunal de Contas da União’] has verified the proven existence of fraud in the bidding process.

## The criteria for issuing a Declaration of Unfitness, which may not exceed 5 (five) years per current legislation, shall be submitted to COJAER, for further submission to the Defense Secretary. Rehabilitation further to this sanction may be claimed by the interested party 2 (two) years after its application.

## In issuing a Declaration of Unfitness, the suggested sanction shall be indicated, for inclusion -in the respective PAAI, for the purpose of rehabilitating the supplier- of the amount to be reimbursed, legal surcharges and other applicable obligations.

# APPEALS

## The Administration’s (BACW) actions during this bidding process may be appealed as follows:

### Appeal to the BIDDING COMMISSION within **5 (five) business days** of date of notification or record of meeting minutes/session, in case of:

### Bidder qualification or disqualification;

### Proposal judgment;

### Annulment or repeal of bidding process;

### Dismissal of request for entry into registry list, modification of cancellation;

### Termination of CONTRACT, as regards Line I of Art. 79 of Law Nº 8.666/93;

### Application of warning fees, temporary suspension or fine.

## After a bidder files an appeal, the other bidders shall be informed so that they may submit counter-arguments within a period of **5 (five) business days**.

## The appeal must be addressed to the Bidding Commission, which may reconsider its decision within a period of **5 (five) business days.**

## Should it reject the reasons presented in the appeal, the Bidding Commission must send the appeal to its higher-ranking authority, for due evaluation within an addition **5 (five) day period,** which shall be duly notified.

# GENERAL PROVISIONS

## 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 (forty-eight) hours before the delivery of the proposals.

### 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.

## 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.

## Any changes or amendments to this INVITATION FOR BID will require its disclosure in the same publication method in which the original bidding process was published, with an extension of the original term, except when the changes do not affect price formation in any way.

## If the day is not a business day or if there are any events preventing the bidding process from being held on the scheduled date, the session will automatically be rescheduled to the following business day at the same time and place as previously indicated, unless otherwise advised by the Bidding Commission.

## In any phase of the bidding process, the Bidding Commission, or any higher-ranking authority may submit a request for clarification to complement or answer questions about the process, provided it does not imply the later inclusion of any document or information which must be made available at the time of the Bidding open session.

## The ratification (“homologation”) of the Bidding process result does not imply the right to execute the Contract.

## The BACW reserves the right to revoke this Bidding Process for reasons of public interest associated with the occurrence of an unforeseen and duly proven event, which is relevant and sufficient to justify such measures, or annul them due to illegality, through an official letter, or by the request of third parties, through a substantiated opinion.

## The INVITATION FOR BID and its ANNEXs may be read and/or obtained from the BACW, at the address below, on business days between 08:30 a.m. and 11:30 a.m., and then again between 1:30 p.m. and 3:00 p.m. (EST) as well as through its website <http://www.cabw.org> during the external phase of the bidding process.

## The records of this administrative process shall be made available at the address below, on business days, between 08:30 a.m. and 11:30 a.m., and then again between 1:30 p.m. and 3:00 p.m. (EST), based on scheduled appointment:

**1701 22nd St N.W. Washington, D.C. 20008**

**Ph.: (202) 483 4031 Fax: (202) 483 4684**

**E-mail: con@cabw.org****con@cabw.org**

## The United States District 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 judged. This Invitation For Bid and the bidding process shall be 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.

## It is hereby agreed between the parties that the official language of the bid, for the purpose of documentation, correspondence and any other matter is **ENGLISH**.

**Washington, DC, April 19, 2018.**

RENATO ALVES DE OLIVEIRA, Lt Col.

President of BACW’s Bidding Commission