

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



INVITATION FOR BID 67102.173981/CABW/2017
PAG 67102.173981/2017- 92



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Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division



Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



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

INVITATION FOR BID 67102.173981/CABW/2017
 PAG 67102.173981/2017-92

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 GLOBAL PRICE PER ENGINE** (Letter A, Sub-item VIII of Article 6 of Brazilian Law 8,666/93), in accordance with this Invitation for 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 for 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, morality, equality, and transparency.

Date of delivery and opening of envelopes:	03/26/2018
Time:	9:00 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:	03/26/2018
Time:	9:00 a.m. (Eastern Standard Time)

Mario Emilio Framil Cabizuca, Maj
 Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
 Chief of BACW Internal Control



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. COMAER – Brazilian Aeronautical Command;

1.1.2. COMREC - Goods and Services Receiving Commission;

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

1.1.4. CONTRACTING PARTY- Aeronautical Material and Services Center of Galeão - PAMAGL (Parque de Material Aeronáutico do Galeão – PAMAGL);

1.1.5. 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;

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

1.1.7. FAB – Brazilian Air Force;

1.1.8. ICA – Aeronautical Command Directive;

1.1.9. 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;

1.1.10. MO - Military Organization;

1.1.11. 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;

1.1.12. PAAI – Formal internal administrative procedure which consists of 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 12-23/2017);

1.1.13. PAG – Administrative Management Process;

1.1.14. BASIC PROJECT- As per Brazilian Law 8.666, from 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; and

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

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

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Chief of BACW Internal Control



2. OBJECT

2.1. The object of this INVITATION FOR BID is the contracting of a specialized company for the repair and recovery services of the engines as follows:

2.1.1. Services of repair and recovery of 1 (one) **AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 ENGINE REIDENTIFICATION”, TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4)**, including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 07/TENG/2017.

2.1.2. Services of repair and recovery of 1 (one) **AE3007 A1 (PN 23070991, SN CAE311096), TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, REQUISITION GLKR17002C4)**, including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 08/TENG/2017.

2.2. Due to scale economy and operational reasons, so as to avoid logistical problems, the Subject of this INVITATION FOR BID shall be awarded individually by engine.

2.3. The estimates detailed in this INVITATION FOR BID do not imply any obligation by the CONTRACTING PARTY.

2.4. A detailed description of the services of repair and recovery for the AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 ENGINE REIDENTIFICATION”, TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4), is provided in the TECHNICAL SPECIFICATION 07/TENG/2017, Annex A of the BASIC PROJECT.

2.5. A detailed description of the services of repair and recovery for the AE3007 A1 (PN 23070991, SN CAE311096, TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, REQUISITION GLKR17002C4) is provided in the TECHNICAL SPECIFICATION 08/TENG/2017, Annex B of the BASIC PROJECT.

2.6. For all intents and purposes, this Invitation for Bid includes the following annexes:

- ANNEX I – BASIC PROJECT 038/DLC/2017;
- ANNEX II – PRICE PROPOSAL MODEL;
- ANNEX III – CONTRACT DRAFT.

3. PARTICIPATION REQUIREMENTS

3.1. Interested companies, registered with BACW or not, that are specialists 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. BACW will select and invite at least 3 (three) companies to participate.

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 your registration in BACW in the last 3 (three) months;



- 3.2.4. Barred from participating in bidding processes and entering into a Contract agreement with the Brazilian Federal Government;
- 3.2.5. Barred from entering into an agreement with the Public Administration (Brazil), by virtue of sanction arising from an environmental violation, pursuant to the provisions of Article 72, § 8, item V, of Law nº 9.605/98 (Brazil);
- 3.2.6. That are declared not to be in good standing to enter into an agreement with the Public Administration (Brazil); and
- 3.2.7. 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.

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 for Bid, for the purpose of conducting the registration of the participants in this Bidding Process, with his/her photo 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 1 (one) bidder.

5. ENVELOPES WITH QUALIFICATION DOCUMENTS AND PRICE 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 173981/CABW/2017
[NAME OF THE COMPANY]



ENVELOPE N° 02 – PRICE PROPOSAL
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
INVITATION FOR BID N° 173981/CABW/2017
[NAME OF THE COMPANY]

5.4. The ENVELOPE N° 01 – QUALIFICATION DOCUMENTS, and the ENVELOPE N° 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 # 173981/CABW/2017
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
1701 22nd Street N.W. Washington, DC 20008
SESSION ON 03/26/2018, 2017 at 9:00 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 **09:00 a.m.** (Eastern Standard Time) of **03/26/2018.**

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;


Mario Emilio Framil Cabizuca, Maj
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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); and

6.2.5. Present **Declaration** from its Chief of Financial Officer (CFO) or equivalent company's official stating that the BIDDER has adequate financial resources to perform the contract, or the ability to obtain them within 30 (thirty) days of being named the winning bidder.

6.3. Technical Qualification:

6.3.1. Companies interested in participating in the bidding process must submit proof of being a center authorized by the manufacturer to perform the services that are object of this INVITATION FOR BID; and

6.3.2. Companies must present, at the bidding process, proof of being certified by **ANAC, FAA, or EASA** to perform the services that are object of this bidding process.

6.4. The required certificates and/or statements shall be valid in cases where there is 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.**

7.2. When presenting the **LOWEST GLOBAL PRICE PER ENGINE**, the bidder must indicate the cost of shipment and the global cost of the repair and recovery services, individually per engine as per the table below:

REQUISITION	DESCRIPTION	GLOBAL REPAIR AND RECOVERY COST	SHIPPING		GLOBAL PRICE PER ENGINE
			PICK-UP (FCA)	DELIVERY (DAP)	
GLKR20601C4	AE3007 A1 (PN 23070401, SN CAE311642)	US\$	US\$	US\$	US\$
GLKR17002C4	AE3007 A1 (PN 23070991, SN CAE311096)	US\$	US\$	US\$	US\$

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

7.4. The winning bid shall be the bid with the **LOWEST GLOBAL PRICE PER ENGINE.**

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

7.5.1. The service quoted shall include all costs arising from the performance of the service, whether direct or indirect, including but not being limited to what is described below: all inputs such as fees and/or taxes, social contributions, expenses, insurance, worker's compensation, liability insurance, labor, social security, fiscal, administration fees,

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equipment, materials, and all other fees necessary for full compliance with the object of the INVITATION FOR BID.

7.5.2. All data provided by the bidder shall fully reflect all costs and the profit margin intended.

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

7.5.4. Tax rates quoted by the BIDDER shall not exceed the limits established under applicable tax legislation.

7.5.5. The validity of the proposal shall not be less than **60 (sixty) days** starting on the date on which proposals are opened, after which time it shall be subject to confirmation by the Company.

7.5.6. Price Proposals must be stated in United States Dollars.

7.6. 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.

7.7. 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.

7.7.1. 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 need to increase the offered prices, and/or the offered price covers the cost of the Contract.

7.7.2. Any correction in proposals shall be duly recorded in the open session's meeting minutes.

7.8. The changes addressed under this item, shall be submitted to the Bidding Commission for review.

7.9. 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.

7.10. After qualification, it is not possible to withdraw a proposal, unless for cause due to a supervening fact as accepted by the Commission.

7.11. The award will be made to the lowest responsive bid after qualification phase and price proposal acceptance.

8. ESTIMATED BUDGET

8.1. Considering the past amounts paid by the Brazilian Air Force regarding similar services that are object of this INVITATION FOR BID, the services are estimated to be a maximum of **USD 2,480,420.18** in accordance with the following:

8.1.1. The estimated amount for the performance of the Services of repair and recovery of 1 (one) AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per



“SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4), including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 07/TENG/2017, including shipment, is **USD 1,240,210.09**.

8.1.2. The estimated amount for the performance of the Services of repair and recovery of 1 (one) AE3007 A1 (PN 23070991, SN CAE311096), TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, (REQUISITION GLKR17002C4), including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 08/TENG/2017, including shipment, is **USD 1,240,210.09**.

8.2. The estimates included in the BASIC PROJECT do not imply any obligation by the CONTRACTING PARTY. General costs related to the services, including taxes, shipment, technical assistance, material storage, insurance and any other eventual costs that could arise during the performance of the CONTRACT are the CONTRACTED PARTY's responsibility.

9. PROCEDURE FOR OPENING ENVELOPES

9.1. 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 n° 01 and n° 02**, and will proceed to initiate the bidding process.

9.1.1. 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.

9.2. 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.

9.3. After the bidders are identified, the Bidding Commission will proceed to opening Envelopes n° 01 – Qualification Documents.

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

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

9.4.1. 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.

9.4.1.1. Considering the above hypothesis, all the qualification documents already initialed, and the Envelopes n° 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.

9.5. Disqualified bidders will have the Envelope n° 2 returned unopened after the legal period has transpired without appeal or its withdrawal, or an adverse decision on its appeal.

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

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9.6. 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.

9.7. 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.

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

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

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

9.7.1.3. 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.

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

9.9. 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.

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

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

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

10. REVIEWING QUALIFICATION DOCUMENTS

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

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

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

10.2. 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 bidder representative and recorded in the minutes.

11. REVIEWING THE PRICE PROPOSAL

11.1. The criterion for reviewing the proposal will be the **LOWEST GLOBAL PRICE PER ENGINE**.

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

11.2.1. Does not comply with Item 7. (Price Proposal) of this INVITATION FOR BID;



11.2.2. Is flawed or illegible, it is not specific or is presented with irregularities and flaws that hinders its review;

11.2.3. It is not in compliance with any requirement set forth in this INVITATION FOR BID or the Basic Project;

11.2.4. 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;

11.2.5. 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;

11.2.5.1. Under these circumstances, the bidder will have **2 (two) 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.

11.3. 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).

11.4. 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 global price.

11.4.1. 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.

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

11.5. 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.

11.5.1. 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.

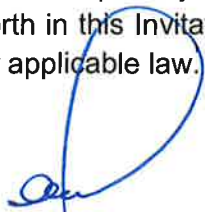
12. HOMOLOGATION AND ADJUDICATION

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

12.2. The adjudication will be done based on the **LOWEST GLOBAL PRICE PER ENGINE.**

13. CONTRACT

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



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Chief of BACW Bidding and Contracts Division



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- 13.1.1.** 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 (PAMAGL) in its sole discretion.
- 13.2.** The Administration (PAMAGL) 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.
- 13.3.** The BACW may also revoke the bidding process without penalty, notwithstanding anything else provided for in this INVITATION FOR BID.
- 13.4.** By signing the CONTRACT, the CONTRACTED PARTY declares its express agreement with the adequacy of the Basic Project.
- 13.5.** 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.
- 13.6.** The CONTRACTED PARTY shall be responsible for any and all expenses arising from the CONTRACT.

14. SUBCONTRACTING

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

14.1.1. Sub-contracting may be authorized by the PAMAGL's Chief, in his sole and absolute discretion, through the CONTRACT MONITOR.

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

14.1.3. 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 PAMAGL for strict compliance with the Contract agreements related to the object that was subcontracted.

14.1.4. Subcontracting may be allowed for a limit not to exceed 40% (forty percent) of the global cost per engine.

15. TERMS

15.1. Term of Validity

15.1.1. The contract shall be valid for **210 (two hundred and ten) days**, starting on the date on which its abstract is published in the Official Gazette ('D.O.U. '), after it has been signed by both parties, and may be extended, if the Administration is interested in doing so, through an Amendment, as per Art. 57 of Law n° 8.666/1993.

15.2. Start of the contract performance

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



15.2.1. The start of the performance of the contract shall begin after CONTRACTED PARTY receives a SERVICE ORDER signed by PAMAGL's Chief, and shall be concluded within **120 (one hundred and twenty)** days by delivering the engine at PAMAGL.

15.2.1.1. Exceptionally, the CONTRACTED PARTY may request an extension of 30 (thirty) days for the contract performance by formal request to the PAMAGL's Chief through the contract MONITOR.

15.2.1.2. In the mentioned request, the CONTRACTED PARTY must present a compelling rational for the extension.

15.2.1.3. Failing to commence work as required by the Contract, proving poor workmanship or improperly allocating labor and materials, lacking the proper equipment needed to perform the work, failing to make progress with the project, failing to coordinate work, or failing to perform work on time shall not be used as rational for performance extension.

15.2.1. The delivery of the engines (return) shall be performed in accordance with INCOTERMS 2010 – DAP - PAMAGL located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941-580.

15.3. Extending the Contract

15.3.1. The CONTRACTED PARTY does not have the right to unilaterally extend the Contract. The Contract may only be extended by agreement between the parties and the execution of an Amendment as per Art. 57 of Law nº 8.666/93.

15.4. Payment Due Date

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

15.5. Engine Pick-up

15.5.1. The engine and its accessories shall be collected at PICK-UP location within **5 (five) days** after receiving the SERVICE ORDER.

15.5.2. The PICK-UP of the engine shall be performed in accordance with INCONTERMS 2010 – FCA - PAMAGL located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941-580.

16. FINANCIAL GUARANTY

16.1. 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:

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

16.1.2. 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.



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

16.3. 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.

16.4. 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.

17. TECHNICAL WARRANTY

17.1. A detailed description of the technical warrant for the AE3007 A1P, (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, is provided in the TECHNICAL SPECIFICATION 07/TENG/2017, Annex A, item 8 of the Basic Project.

17.2. A detailed description of the technical warranty for the AE3007 A1, (PN 23070991 – SN CAE311096), is provided in the TECHNICAL SPECIFICATION 08/TENG/2017, Annex B, item 8 of the Basic Project.

18. CHANGES TO THE CONTRACT

18.1. 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 PAMAGL, up to the limit of 50% (fifty percent) of the original total amount of the CONTRACT.

18.1.1. Since the demands are estimated due to the characteristics of the OBJECT of this CONTRACT, reductions in the amount that exceeds the limit of 50% (fifty percent) of the Contract may occur during the performance of the CONTRACT at CONTRACTING PARTY'S sole discretion.

18.1.2. 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.

19. PRICE ADJUSTMENT

19.1. Price shall be firm and fixed (FFP) during the contract performance.

20. PAYMENT

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

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

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

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



20.2.2. 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;

20.3. 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 solve 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.

20.4. 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.

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

21. MONITORING

21.1. The MONITOR must be an agent or agents of the Administration, specifically appointed by the Administration, in accordance with the precepts established by Law N° 8.666/1993 (Brazil), ICA n° 65-8/2009 (Attributions of MONITOR and Receiving Commission), and of ICA n° 12-23/2017 (Inspection and Receiving Goods, Services and Administrative Sanctions Application), so as to monitor and inspect the fulfillment of the contract to be executed.

21.2. Monitoring of contractual fulfillment consist in verifying the conformity of the services and the allocation of the necessary resources.

21.3. Verification of adequate contractual fulfillment must be performed based on the criteria established in the Basic Project and in accordance with contractual terms.

21.4. Contractual performance must be monitored and inspected through oversight instruments including monitoring of the fulfillment of the obligations arising from the Contract.

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

21.6. 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 shared responsibility by the CONTRACTING PARTY, its representatives or employees.

21.7. For the purposes of this INVITATION FOR BID, 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 n° 8.666/93 (Brazil).

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

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

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



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

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

21.8.5. 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. All supporting documentation must be attached to the INVOICE for validation by COMREC;

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

21.8.7. Issue, until the fifth day of the following month, a Contract Status Report, in accordance with 65-8/2009 and ICA 12-23/2017 for the Administration.

22. RECEIPT OF THE OBJECT

22.1. 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.

22.2. It is the responsibility of the RECEIVING COMMISSION (COMREC) to:

22.2.1. Ensure that the CONTRACTED PARTY will follow the description of all the services that are the object of the Basic Project;

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

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

22.2.4. 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 PAMAGL.

23. ENGINES' TRANSPORTATION

23.1. The CONTRACTED PARTY is responsible to transport the engine from PICK-UP at PAMAGL to its Service Center, as INCOTERMS 2010 – FCA.

23.2. The CONTRACTED PARTY is responsible to transport the engine back to PAMAGL at the conclusion of the hired services, as INCOTERMS 2010 – DAP.

23.3. The shipping information for 1 (one) AE3007 A1P, PN 23070401 – SN CAE311642, reidentified to AE3007 A1, PN as per "SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION", including its accessories, is described on item 4 of the Technical Specification 07/TENG/2017.

23.4. The shipping information for 1 (one) AE3007 A1, PN 23070991 – SN CAE311096, including its accessories, is described on item 4 of the Technical Specification 08/TENG/2017.

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



24. OBLIGATIONS OF THE CONTRACTING PARTY AND THE CONTRACTED PARTY

24.1. The obligations of the CONTRACTING PARTY and CONTRACTED PARTY are established in the Basic Project, Contract Draft, and other obligations provided for in this INVITATION FOR BID.

25. TERMINATION OF THE CONTRACT

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

26. BUDGETARY APPROPRIATION

26.1. All costs resulting from this INVITATION FOR BID shall be supported according to the following budget classification: 001391 Program, Action 2048, Nature Expense - 339039 (services) or equivalent.

27. VIOLATIONS AND ADMINISTRATIVE SANCTIONS

27.1. For the application of administrative sanctions it should be considered the following: the seriousness of the offense; recidivism; damage to the public interest; and the injury to the Administration.

27.2. Failure to comply with the Contract in whole or in part or any breach of the obligations contained in the Contract and in this bidding document will subject the CONTRACTED PARTY, without prejudice to other civil and criminal penalties and to any and all damages and remedies available to CONTRACTING PARTY under the Contract or applicable law, ensuring due process, to the following penalties:

27.2.1. Warning is the administrative penalty imposed when the CONTRACTED PARTY infringes, for the first time, obligations related to delayed contractual terms or invoice presentation for mistakes, or for breach of supervision guidelines within 48 (forty eight) hours from the date of notification of the MONITOR. For the purposes of warning one PAAI should be instructed.

27.2.2. The warning should not be proposed for recurrence in the same kind of failure cases.

27.2.3. Fines referred to in item II of Art. 87 (fine for total or partial non-performance of the Contract) of Federal Law nº 8.666 / 93 (Brazil) may be defined and implemented as follow:

27.2.3.1. A fine may be applied for partial non-performance in the amount of 0.2% (zero point two percent) of the total amount of the Contract if the CONTRACTED PARTY fails to comply with any condition set in the Contract; and

27.2.3.2. If the CONTRACTED PARTY causes termination of the contract, a fine will be imposed, for non-performance, in the amount of 10% (ten percent) of the current value of the Contract, subject to late-payment penalty or other sanctions pursuant to art. 87 of Federal Law 8.666/93 (Brazil).

27.3. Provided prior defense of the person concerned within 5 (five) business days, the fine for the total or partial non-performance of the Contract, referred to in item II of art. 87 of Federal Law



nº 8.666/93 (Brazil), may be applied along with other administrative sanctions provided for in items I, III and IV of art. 87 of Federal Law nº 8.666/93 (Brazil).

27.4. BACW must inform the CONTRACTED PARTY the amount to be collected, exhausted all administrative remedies and the right to legal defense, should the CONTRACTED PARTY discount the value of future payments.

27.5. After the actions mentioned in the previous items, if it persists the denial of payment of the fine, the Expenses Authority (holder or delegate) of PAMAGL, as appropriate, will be forward the process to the Brazilian Attorney General of the National Treasury (PGFN) for analysis and description of the company sanctioned in Active Debt of the Union (DAU) and / or initiate the judicial execution, depending on the amount involved.

27.6. The fine(s) will not relieve the CONTRACTED PARTY of the obligation to repair the damages caused to the Administration and indemnify the Administration (and BACW) for any losses suffered, nor rule out the possibility of the imposition of other administrative penalties.

27.7. The application of the fines provided for in the preceding items may be appealed within 5 (five) business days, as provided in item "f", I, art. 109 of Federal Law nº 8.666/93 (Brazil).

27.8. The temporary suspension of participation in bidding processes and the prohibition to contract with the Administration, pursuant to subsection III of Article 87 of Federal Law nº 8.666/93 (Brazil), combined with Article 9 of Federal Law nº 10.520/2002 (Brazil), will be applied in MOs under the jurisdiction of the COMAER, with the following:

27.8.1. For up to 30 (thirty) days:

27.8.1.1. In noncompliance of the deadline for taking corrective measures during the application of the warning sanction; and

27.8.1.2. The disruption of any act of public bidding session.

27.8.2. For up to 3 (three) months:

27.8.2.1. The withdrawal of the proposal, without just cause due to supervening fact;

27.8.2.2. The complaint of the unenforceability of the prices presented; and

27.8.2.3. In presentation of frivolous appeal.

27.8.3. For up to 6 (six) months:

27.8.3.1. The refusal of the winning bidder, convened within the period of validity of its proposal, to sign or accept the contract or withdraw any equivalent instrument;

27.8.3.2. The absence of financial guarantee submission under this Invitation for Bid, if applicable;

27.8.3.3. The recurrence of punishable illicit practice in the form of letters "27.8.1" and "27.8.2" of this item, in less than 24 (twenty four) months;

27.8.3.4. The application of the second administrative sanction accompanied by a fine;

27.8.3.5. The application of two administrative sanctions warning and a fine under the COMAER with in 12 (twelve) months, unless the supplier has taken corrective action within the period determined by the Administration; and

27.8.3.6. The implementation of two administrative sanctions fine under the COMAER with in 12 (twelve) months, unless the supplier has taken corrective action within the period determined by the Administration;

27.8.4. For up to 12 (twelve) months:



27.8.4.1. When the CONTRACTED PARTY delays unreasonably the execution of the service, which implies termination;

27.8.4.2. When the CONTRACTED PARTY does not pay the fine within the period prescribed in situations where you cannot discount the value of collateral or receivables from performed installments; and

27.8.4.3. The recurrence of punishable default practice in the form of the letter "27.8.3" of this item, within less than 36 (thirty six) months.

27.8.5. Up to 24 (twenty four) months:

27.8.5.1. In the commission of an unlawful act, seeking to frustrate the objectives of this Bidding, such as the formation of collusion or cartel;

27.8.5.2. In the presentation of "fraudulent" documents "adulterated", "false" or "fake";

27.8.5.3. In the issue of "false declaration";

27.8.5.4. In the definitive conviction for willful practice of tax fraud in the collection of taxes related to the Contract;

27.8.5.5. In the shutdown of the service without good cause and without prior notice to the Administration;

27.8.5.6. In the delivery of material "fake" or "adulterated", using trickery to deceive the Administration;

27.8.5.7. In the contractual non-performance resulting in serious damage to the Administration; and

27.8.5.8. In the recurrence of punishable default practice in the form of item "25.8.4" term of less than 48 (forty eight) months.

27.9. For the purposes of this INVITATION FOR BID, as regards to the application of the administrative penalty of temporary suspension of participation in bidding and obstruction to Contract with the Administration, the term "Administration" refers to the COMAER.

27.10. It is understood by failure in the performance of the Contract, means to not complete the provision of the service in accordance with the Basic Project contained in the Contract.

27.11. It is understood by disreputable behavior, means the intentional conduct of trying to deceive or corrupt the Administration, or any of its agents, to obtain undue advantage.

27.12. The PAAI application of declaration of unfitness will be forwarded to the State Defense Minister of Brazil, through the chain of command and the opinion of COJAER, given the exclusive competence of the sanction by the Minister of State. The application of this penalty will occur in any of the situations below:

27.12.1. The CONTRACTED PARTY has suffered definitive conviction for tax fraud;

27.12.2. A business or professional committed unlawful act aimed at frustrating the objectives of the tender;

27.12.3. The Administration may find that the company or professional does not have competence to be hired because of committed unlawful acts; or

27.12.4. Finding, by the Court of the Union, the occurrence of fraud in connection with the Bid.

27.13. The criteria to revoke the Certificate Good Standing, which may not exceed 5 (five) years under the current legislation, will be defined by the State Defense Ministry of Brazil.



Rehabilitation for this sanction may be required by the person concerned after the expiry of 2 (two) years of its application.

27.14. In the event the Certificate of Good Standing is revoked, it will be suggested the application of the penalty which should indicate in their PAAI to the purpose of to provide rehabilitation of the amount to be reimbursed, with due legal charges and any obligations.

28. APPEALS

28.1. The actions of the Administration (BACW), during this Bidding Process, may be appealed as follows:

28.1.1. Appeal to Bidding Commission within **5 (five) business days**, from the date of notification or registration of the minutes of the meeting/session, in the cases of:

28.1.1.1. Qualification of the bidder or lack thereof;

28.1.1.2. Judgment of the proposals;

28.1.1.3. Annulment or revocation of the bidding process;

28.1.1.4. Denial of a request for application or registration, alteration or cancellation;

28.1.1.5. Termination of the Contract, unilaterally by the Administration (BACW) for cases provided for under item I, Article 79 of Federal Law nº 8.666/93 (Brazil);

28.1.1.6. Issuance of a warning, suspension or compensatory fine.

28.2. Once a request for appeal has been filed, it will be communicated to the other bidders, which may present counter-arguments within **5 (five) business days**.

28.3. The appeal will be addressed to the BACW's Chief, through the Bidding Commission, which may reconsider its decision within **5 (five) business days**.

29. GENERAL PROVISIONS

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

29.1.1. 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.

29.2. The interested party shall carefully review the Invitation for Bid and its Annexes, as well as all the instructions, terms and conditions, and Basic Project 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.

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

29.4. 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.

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



29.5. 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.

29.6. 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.

29.7. 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.

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

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

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

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

29.10. 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.

29.11. Preservation of the integrity of the competitive bid system dictates that, after bids have been opened, award must 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.

29.11.1. 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:

29.11.1.1. Inadequate or ambiguous specifications were cited in the invitation;

29.11.1.2. Specifications have been revised;

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

29.11.1.4. The invitation did not provide for consideration of all factors of cost to the Government;

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

29.12. 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).

29.13. 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.

29.14. 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 PAMAGL.


Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division


Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control.



29.15. 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).

29.16. 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

29.17. 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 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.

29.18. It is hereby agreed by the parties that the language of this INVITATION FOR BID, for the purpose of documentation, correspondence, and any other interests shall be **ENGLISH**.

Washington, DC February 20th, 2018

Mario Emilio Framil Cabizuca, Maj
Chief of BACW's Biddings and Contracts Division

Reviewed by:

Nazareno Correia Peregrino, Lt Col
Chief of BACW Fiscal Division

Approved by:

Leonardo Guedes, Col
Chief of BACW



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

BASIC PROJECT 038/DLC/2017

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

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1. PREAMBLE

1.1. The purpose of this Basic Project is to introduce the set of necessary and sufficient elements, with the necessary degree of precision, to configure the specifications to address the contracting of a specialized company for the repair and recovery services for 2 (two) engines including their accessories and incorporation of selected service bulletins.

1.2. This Basic Project was developed based on preliminary considerations, which ensure the technical viability of the project, assess its costs and define its timeline and implementation methods, thus guiding and governing the future relationship between the CONTRACTED PARTY and the CONTRACTING PARTY.

1.3. DEFINITIONS:

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

1.3.1.1. COMAER – Brazilian Aeronautical Command;

1.3.1.2. COMREC – Goods and Services Receiving Commission

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

1.3.1.4. CONTRACTING PARTY- Aeronautical Material and Services Center of Galeão - PAMAGL;

1.3.1.5. ICA – Aeronautical Command Directive;

1.3.1.6. 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;

1.3.1.7. PAG – Administrative Management Process;

1.3.1.8. PAMAGL – Galeão Aeronautical Material Depot, located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941-580

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

2. OBJECT

2.1. The object of this BASIC PROJECT is the contracting of a specialized company for the repair and recovery services of the engines as follows:

2.1.1. Services of repair and recovery of 1 (one) **AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 ENGINE REIDENTIFICATION”, TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4)**, including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 07/TENG/2017.

2.1.2. Services of repair and recovery of 1 (one) **AE3007 A1 (PN 23070991, SN CAE311096), TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001,**



REQUISITION GLKR17002C4), including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 08/TENG/2017.

2.2. Due to scale economy and operational reasons, so as to avoid logistic problems, the Subject of this BASIC PROJECT shall be awarded individually by engine.

2.3. The estimates detailed in this BASIC PROJECT do not imply any obligation by the CONTRACTING PARTY.

3. JUSTIFICATION

3.1. First of all, it should be taken into account that the BACW's mission, per its Internal Regulations, which were approved and published in BCA N° 240 of December 20, 2011, is to: centralize, within its operational area, support-related logistic activities and services abroad, contract management, as well as other actions which might be assigned to it, within the COMAER's sphere of interest.

3.2. This process has as its objective the continuity of the repair and recovery services of the engines CAE311642 and CAE311096, so that it could be avoided the operational dissolution of the aircrafts C-99 (Embraer 145).

3.3. The CAE311642 and CAE311096 were removed due to zero "2nd-stage High-pressure-turbine Wheel" (HPT2) Life limit and must be replaced due to the remaining component life be less than 5% of the established life limit.

3.4. Taking into consideration maintaining the availability levels established by the Brazilian Air Force, and further considering that the PAMAGL does not have capability to implement the repair and recovery services that are object of this BASIC PROJECT, it is essential the hiring of a company to perform the services described herein.

4. SERVICE SPECIFICATION

4.1. A detailed description of the services of repair and recovery for the AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per "SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 ENGINE REIDENTIFICATION", TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4), is provided in the TECHNICAL SPECIFICATION 07/TENG/2017, Annex A of this BASIC PROJECT.

4.2. A detailed description of the services of repair and recovery for the AE3007 A1 (PN 23070991, SN CAE311096, TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, REQUISITION GLKR17002C4) is provided in the TECHNICAL SPECIFICATION 08/TENG/2017, Annex B of the BASIC PROJECT.

5. TECHNICAL WARRANTY

5.1. A detailed description of the technical warrant for the AE3007 A1P, (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per "SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION", is provided in the TECHNICAL SPECIFICATION 07/TENG/2017, Annex A, item 8 of the Basic Project.

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Biddings and Contracts Department

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



5.2. A detailed description of the technical warranty for the AE3007 A1, (PN 23070991 – SN CAE311096), is provided in the TECHNICAL SPECIFICATION 08/TENG/2017, Annex B, item 8 of the Basic Project.

6. TECHNICAL QUALIFICATION

6.1. Companies interested in participating in the bidding process must submit proof of being a center authorized by the manufacturer to perform the services that are object of this BASIC PROJECT; and

6.2. Companies must present, at the bidding process, proof of being certified by **ANAC, FAA, or EASA** to perform the services that are object of this BASIC PROJECT.

7. ENFORCEMENT REGIME

7.1. The object of this BASIC PROJECT shall be performed under the form of indirect performance by the CONTRACTED PARTY based on the **LOWEST GLOBAL PRICE FOR EACH ENGINE**.

8. PRICE PROPOSAL

8.1. When presenting the GLOBAL PRICE PER ENGINE, the bidder must indicate the cost of shipment and the global cost of the repair and recovery services, individually per engine.

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

8.3. The winning bid shall be the bid with the **LOWEST GLOBAL PRICE PER ENGINE**.

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

9. SUBCONTRACTING

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

9.1.1. Sub-contracting may be authorized by the PAMAGL's Director, through the CONTRACT MONITOR.

9.1.2. 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.

9.1.3. 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.

9.1.4. Subcontracting may be allowed for a limit not to exceed 40% (forty percent) of the global cost per engine.

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Biddings and Contracts Department

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



10. TERMS

10.1. Term of Validity

10.1.1. The contract shall be valid for **210 (two hundred and ten) days**, starting on the date on which its abstract is published in the Official Gazette ('D.O.U. '), after it has been signed by both parties, and may be extended, if the Administration is interested in doing so, through an Amendment, as per Art. 57 of Law n° 8.666/1993.

10.2. Start of the contract performance

10.2.1. The start of the performance of the contract shall begin after CONTRACTED PARTY receives a SERVICE ORDER signed by PAMAGL's Director, and shall be concluded within **120 (one hundred and twenty) days** by delivering the engine at PAMAGL.

10.2.1.1. Exceptionally, the CONTRACTED PARTY may request an extension of 30 days for the CONTRACT performance by formal request to the PAMAGL's Director through the CONTRACT MONITOR.

10.2.1.2. In the mentioned request, the CONTRACTED PARTY must present a compelling rational for the extension.

10.2.1.3. Failing to commence work as required by the CONTRACT, proving poor workmanship or improperly allocating labor and materials, lacking the proper equipment needed to perform the work, failing to make progress with the project, failing to coordinate work, or failing to perform work on time shall not be used as rational for performance extension.

10.2.2. The delivery of the engines (return) shall be performed in accordance with INCOTERMS 2010 – DAP - PAMAGL located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941-580.

10.3. Extending the Contract

10.3.1. The CONTRACTED PARTY does not have the right to unilaterally extend the CONTRACT. The Contract may only be extended by agreement between the parties and the execution of an Amendment as per Art. 57 of Law n° 8.666/93.

10.4. Payment Due Date

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

10.5. Engine Pick-up

10.5.1. The engine and its accessories shall be collected at PICK-UP location within **5 (five) days** after receiving the SERVICE ORDER.

10.5.2. The PICK-UP of the engine shall be performed in accordance with INCONTERMS 2010 – FCA from the PICK-UP point at PAMAGL located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941-580.

11. ENGINE'S TRANSPORTATION

11.1. The CONTRACTED PARTY is responsible to transport the engine from PICK-UP at PAMAGL to its Service Center as INCONTERMS 2010 – FCA.



11.2. The CONTRACTED PARTY is responsible to transport the engine back to PAMAGL at the conclusion of the hired services as INCONTERMS 2010 – DAP.

11.3. The shipping information for 1 (one) AE3007 A1P, PN 23070401 – SN CAE311642, reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, including its accessories, is described on item 4 of the Technical Specification 07/TENG/2017, Annex A.

11.4. The shipping information for 1 (one) AE3007 A1, PN 23070991 – SN CAE311096, including its accessories, is described on item 4 of the Technical Specification 08/TENG/2017, Annex B.

12. SERVICES PROCESS

12.1. The service process includes:

12.1.1. Pick-up of the Engine at PAMAGL.

12.1.2. The conformity of the engine in regards to the services described in the TECHNICAL SPECIFICATION.

12.1.3. Return of the engine to PAMAGL.

12.1.4. Acceptance of the services.

12.1.4.1. The service is considered ACCEPTED after the conclusion of the Services Process by means of the issuance of THE FINAL TERM OF RECEIPT by the COMREC.

12.1.4.2. The ACCEPTANCE will occur after delivery of all documents related to the services, delivery of Certificate of Conformity, and other documents described on item 9 of each TECHNICAL SPECIFICATION.

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.

13.2.2. Assume civil liability for moral and material damages caused to the Administration 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 PAMAGL.

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 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 at the Service Center of the CONTRACTED PARTY.

15. ESTIMATED BUDGET

15.1. Considering the historic amount paid by the Brazilian Air Force regarding similar services that are object of this BASIC PROJECT, the services is estimated to be a maximum of **USD 2,480,420.18** in accordance with the followings:

15.1.1. The estimated amount for the performance of the Services of repair and recovery of 1 (one) AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per "SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 ENGINE REIDENTIFICATION", TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4), including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 07/TENG/2017, including shipment, is **USD 1,240,210.09**.

15.1.2. The estimated amount for the performance of the Services of repair and recovery of 1 (one) AE3007 A1 (PN 23070991, SN CAE311096), TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, (REQUISITION GLKR17002C4), including its accessories as well as incorporation of selected service bulletins, in



accordance with Technical Specification 08/TENG/201, including shipment, is **USD 1,240,210.09.**

15.2. The estimates included in this BASIC PROJECT do not imply any obligation by the CONTRACTING PARTY. General costs related to the services, taxes, shipment, technical assistance, material storage, insurance and any other eventual cost that could arise during the performance of the CONTRACT are the CONTRACTED PARTY's responsibility.

16. BUDGET ALLOCATION

16.1. All costs resulting from this BASIC PROJECT shall be covered by funds specifically allocated by the Federal Budget of Brazil, according to the following classification: Program - 001391, Action- 2048, Nature of Expense - 339039 (services), or equivalent.

17. ANNEXES

17.1. Annex A – Technical Specification 07/TENG/2017.

17.2. Annex B – Technical Specification 08/TENG/2017.

Washington DC, FEB 20/2018.

Mario Emilio Framil Cabizuca, Maj
Chief of Biddings and Contracts Department of BACW

Revised by:

Nazareno Correia Peregrino, Lt Col
Chief of Internal Control of BACW

Approved by:

Leonardo Guedes, Col.
Chief of BACW



ANNEX A

TECHNICAL SPECIFICATION 07/TENG/2017

DIGITAL FILES ARE AVAILABLE BY ACCESSING OUR WEBSITE:

<http://www.cabwnews.com/index.php/solicitations>

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Biddings and Contracts Department

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



ANNEX B

TECHNICAL SPECIFICATION 08/TENG/2017

DIGITAL FILES ARE AVAILABLE BY ACCESSING OUR WEBSITE:

<http://www.cabwnews.com/index.php/solicitations>

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Biddings and Contracts Department

Nazareno Correja Peregrino, Lt Col
Chief of BACW Internal Control

Price Proposal – Annex II

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

PAGE 1 of 2

Part 1 Representative Identification

Representative Name

Last Name

Given Name

Middle Name

--	--	--

Identification Number

E-mail Address

--	--

Phone Number

Fax Number

--	--

Company's Name

--

The above identified company through its accredited representative makes a proposal of **GLOBAL PRICE PER ENGINE** for repair and recovery services in accordance with terms, quantities, and other applicable requirements established in the BASIC PROJECT, Annex I of Invitation for Bid **173981/CABW/2017**.

Part 2	Statements	Initial of the representative
1-	The service quoted shall include all costs arising from the performance of the service, whether direct or indirect, not being limited to what is described below: all inputs such as fees and/or taxes, social contributions, expenses, insurance, worker's compensation, liability insurance, labor, social security, fiscal, administration fees, equipment, materials, and all other fees necessary for full compliance with the object of the INVITATION FOR BID.	(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. VALIDITY: 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 173981/CABW/2017 .	(place initial)

Part 3 Bank Information

Bank Name:

--

Branch:

Checking Account:

--	--

Other:

--

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control

Price Proposal – Annex II

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

PAGE 2 of 2

Part 4 Price Proposal

REQUISITION	DESCRIPTION	GLOBAL REPAIR AND RECOVERY COST	SHIPPING		GLOBAL PRICE PER ENGINE
			PICK-UP (FCA)	DELIVERY (DAP)	
GLKR20601C4	AE3007 A1 (PN 23070401, SN CAE311642)	US\$	US\$	US\$	US\$
GLKR17002C4	AE3007 A1 (PN 23070991, SN CAE311096)	US\$	US\$	US\$	US\$


Part 5 Authentication

Representative printed name

Representative signature

Date of signing

<input type="text"/>	<input type="text"/>
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Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division


Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control

ANEXO III

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



CONTRACT [CT]/PAMAGL/2017

INVITATION FOR BID 67102.173981/CABW/2017

PAG 67102.173981/2017-92



CONTRACT DRAFT

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Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



CONTRACT DRAFT

PAG Nº: **67102.XXXXXX/2017-XX**
CONTRACT
Nº[CT#]/PAMAGL/2017

CONTRACT FOR THE REPAIR AND RECOVERY SERVICES OF ENGINES, WHICH THE BRAZILIAN GOVERNMENT HEREBY ENTERS INTO, THROUGH THE GALEÃO AERONAUTICAL MATERIAL DEPOT, AND THE COMPANY **XXXXXXXXXXXXXXXXXXXXXXXXXX**.

The Brazilian Government, through the Brazilian Aeronautical Commission in Washington, with main offices located at **Rua Alfredo Rocha, 495 – Ilha do Governador / Rio de Janeiro – RJ – 21941-580 - Brazil**, represented herein by **Col JOSÉ MADUREIRA JUNIOR**, 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.XXXXXX/2017- XX**, and the final result of the **Invitation for Bid nº XXXXXX/CABW/2017**, 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:

1. CLAUSE – OBJECT

1.1. The object of this CONTRACT is the contracting of a specialized company for the repair and recovery services of the engines as follows:

1.1.1. Services of repair and recovery of 1 (one) **AE3007 A1 (PN 23070401 – SN CAE311642)**, reidentified to **AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, TSN: 19881:40, CSN: 14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4)**, including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 07/TENG/2017.

1.1.2. Services of repair and recovery of 1 (one) **AE3007 A1 (PN 23070991, SN CAE311096)**, TSN: **15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, REQUISITION GLKR17002C4)**, including its accessories as well as incorporation of selected service bulletins, in accordance with Technical Specification 08/TENG/2017.

1.2. For all intents and purposes, this Invitation to Bid includes the following annexes:

ANNEX A – BASIC PROJECT 038/DLC/2017;

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



----- **CONTRACT DRAFT** -----

**ANNEX B - PRICE PROPOSAL FROM THE CONTRACTED PARTY; and
ANNEX C - PHYSICAL AND FINANCIAL SCHEDULE.**

2. CLAUSE – PERFORMANCE

2.1. The object of this CONTRACT shall be performed under the form of indirect performance by the CONTRACTED PARTY, in the modality of task work of LOWEST GLOBAL PRICE FOR EACH ENGINE.

3. CLAUSE – LANGUAGE

3.1. 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**.

4. CLAUSE – CONDITIONS TO PROVIDING SERVICE

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

5. CLAUSE – OBLIGATIONS

5.1. In addition to that set forth in the BASIC PROJECT, the **CONTRACTED PARTY** shall be required to:

5.1.1. 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 this CONTRACT;

5.1.2. Strictly observe specifications and instructions contained in the Invitation for Bid;

5.1.3. Take full responsibility for the performance of the contracted services;

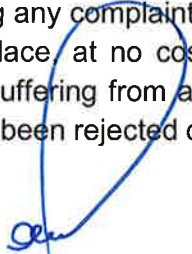
5.1.4. Ensure supply of all material and equipment required for full and perfect fulfillment of contractual obligations;

5.1.5. 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, 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;

5.1.6. Take responsibility, furthermore, for all damages directly caused to the CONTRACTING PARTY, arising from the performance of services by CONTRACTED PARTY'S employees or appointed agents;

5.1.7. Provide all clarification requested by the CONTRACTING PARTY, immediately addressing any complaints;

5.1.8. Replace, at no cost to the CONTRACTING PARTY, all material or equipment provided suffering from any type of damage caused by poor use by its employees, or which has been rejected during inspection tests;


Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division


Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



-----**CONTRACT DRAFT**-----

5.1.9. 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 written or oral press, including television and/or any other means of public disclosure, except with explicit consent of the CONTRACTING PARTY.

5.1.10. 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;

5.1.11. Use qualified employees who have essential knowledge of the services that will be performed in accordance with the rules and regulations in effect;

5.1.12. 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;

5.1.13. 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;

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

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

5.1.16. Be responsible for any costs and losses suffered by PAMAGL or the Administration, 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.

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

5.1.18. 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;

5.1.19. 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;

5.1.20. 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;



----- **CONTRACT DRAFT** -----

5.1.21. Abide by PAMAGL'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;

5.1.22. 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 PAMAGL, by third parties;

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

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

5.2. The CONTRACTING PARTY shall be required to:

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

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

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

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

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

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

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

5.2.1.7. 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.

6. CLAUSE – DISCRIMINATION OF SERVICE

6.1. The services shall be performed by the CONTRACTED PARTY are as described herein, and in the BASIC PROJECT.

6.1.1. A detailed description of the services for the AE3007 A1 (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, TSN: 19881:40, CSN:


Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division


Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



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14239, TSLSV: 5693:15, CSLSV: 3732 (REQUISITION GLKR20601C4) is provided in the TECHNICAL SPECIFICATION 07/TENG/2017, Annex A, of the Basic Project.

6.1.2. A detailed description of the services for the AE3007 A1 (PN 23070991, SN CAE311096), TSN: 15960:40, CSN: 16778, TSLSV: 5293:55, CSLSV: 4001, REQUISITION GLKR17002C4) is provided in the TECHNICAL SPECIFICATION 08/TENG/2017, Annex B, of the Basic Project.

6.2. For full completion of the services, the CONTRACTED PARTY shall make available the materials, equipment, tools and appliances in the necessary quantity and quality, in accordance with the proposal and the BASIC PROJECT, Annex A.

7. CLAUSE – AMOUNT OF THE CONTRACT

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

REQUISITION	DESCRIPTION	GLOBAL REPAIR AND RECOVERY COST	SHIPPING		GLOBAL PRICE PER ENGINE
			PICK-UP (FCA)	DELIVERY (DAP)	
GLKR20601C4	AE3007 A1 (PN 23070401, SN CAE311642)	US\$	US\$	US\$	US\$
GLKR17002C4	AE3007 A1 (PN 23070991, SN CAE311096)	US\$	US\$	US\$	US\$

8. CLAUSE – BUDGETARY APPROPRIATION

8.1. All costs resulting from the BASIC PROJECT shall be supported according to the following budget classification: 001391 Program, Action 2048, Nature Expense 339039 (services) or equivalent.

9. CLAUSE - SUBCONTRACTING

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

9.1.1. Sub-contracting may be authorized by the PAMAGL's Chief, in his sole and absolute discretion, through the CONTRACT MONITOR.

9.1.2. 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.

9.1.3. 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.

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9.1.4. Subcontracting may be allowed for a limit not to exceed 40% (forty percent) of the global cost per engine.

10. CLAUSE – TERMS

10.1. Term of Validity

10.1.1. This CONTRACT shall be valid for **210 (two hundred and ten) days**, starting on the date on which its abstract is published in the Official Gazette ('D.O.U.'), after it has been signed by both parties, and may be extended, if the Administration is interested in doing so, through an Amendment, as per Art. 57 of Law nº 8.666/1993 (Brazil).

10.2. Start of the contract performance

10.2.1. The start of the performance of this CONTRACT shall begin after CONTRACTED PARTY receives a SERVICE ORDER signed by PAMAGL's Director, and shall be concluded within **120 (one hundred and twenty) days** by delivering the engine at PAMAGL.

10.2.1.1. Exceptionally, the CONTRACTED PARTY may request an extension of 30 (thirty) days for the contract performance by formal request to the PAMAGL's Chief through the CONTRACT MONITOR.

10.2.1.2. In the mentioned request, the CONTRACTED PARTY must present a compelling rationale for the extension.

10.2.1.3. Failing to commence work as required by this CONTRACT, proving poor workmanship or improperly allocating labor and materials, lacking the proper equipment needed to perform the work, failing to make progress with the project, failing to coordinate work, or failing to perform work on time shall not be used as rationale for performance extension.

10.2.1. The delivery of the engine (return) shall be performed in accordance with INCOTERMS 2010 – DAP - PAMAGL located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941.

10.3. Extending the Contract

10.3.1. The CONTRACTED PARTY does not have the right to unilaterally extend the Contract. The Contract may only be extended by agreement between the parties and the execution of an Amendment as per Art. 57 of Law nº 8.666/93.


10.4. Payment Due Date

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

10.5. Engine Pick-up

10.5.1. The engine and its accessories shall be collected at PICK-UP location within **5 (five) days** after receiving the SERVICE ORDER.

10.5.2. The PICK-UP of the engine shall be performed in accordance with INCOTERMS 2010 – FCA - PAMAGL located at Rua Alfredo Rocha 495, Ilha do Governador, Rio de Janeiro – RJ, BRAZIL Zip Code: 21941-580.


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11. CLAUSE – FINANCIAL GUARANTY

11.1. 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:

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

11.1.2. 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.

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

11.3. 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.

11.4. 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.

12. CLAUSE - TECHNICAL WARRANTY


12.1. A detailed description of the technical warrant for the AE3007 A1P, (PN 23070401 – SN CAE311642), reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, is provided in the TECHNICAL SPECIFICATION 07/TENG/2017, Annex A item 8 of the Basic Project.

12.2. A detailed description of the technical warranty for the AE3007 A1, (PN 23070991 – SN CAE311096), is provided in the TECHNICAL SPECIFICATION 08/TENG/2017, Annex B, item 8 of the Basic Project.

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 PAMAGL, up to the limit of 50% (fifty percent) 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 50% (fifty percent) of the Contract, may occur during the performance of the CONTRACT at CONTRACTING PARTY'S sole discretion.


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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, this CONTRACT, on a case by case basis, without any sort of compensation up to the limits established above.

14. CLAUSE – PRICE ADJUSTMENT

14.1. Price shall be firm and fixed (FFP) during the contract performance.

15. CLAUSE – PAYMENT

15.1. The deadline for payment shall be within 30 (thirty) 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;

15.3. 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.

15.4. 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.

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

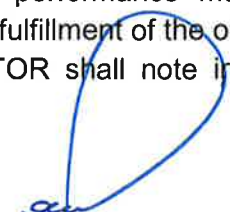
16. CLAUSE - MONITORING

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 the fulfillment of the CONTRACT to be executed.

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

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

16.4. The MONITOR shall note in his records all events related to the performance of the CONTRACT.


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16.5. 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 shared responsibility by the CONTRACTING PARTY, its representatives or employees.

16.6. 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).

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

16.7.1. Observe and perform, when applicable, all procedures established in ICA 65-8/2009 and ICA 12-23/2014;

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

16.7.3. Submit for evaluation by the PAMAGL's Director all proposals, questioning, discrepancies and difficulties encountered during contractual performance or those requiring approval and/or decision;

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

16.7.5. 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. All supporting documentation must be attached to the INVOICE for validation by COMREC;

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

16.7.7. Issue, until the fifth day of the following month, a Contract Status Report, in accordance with 65-8/2009 and ICA 12-23 for the Administration.

17. CLAUSE - RECEIPT OF THE OBJECT

17.1. The services that are the object of this CONTRACT shall be received by the Receiving Commission in accordance with the specifications set forth in the BASIC PROJECT, Annex A of this CONTRACT.

17.2. It is the responsibility of the RECEIVING COMMISSION (COMREC) 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 Contracts 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 PAMAGL's Director.


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18. CLAUSE - ENGINES' TRANSPORTATION

18.1. The CONTRACTED PARTY is responsible to transport the engine from PICK-UP at PAMAGL to its Service Center as INCOTERMS 2010 – FCA.

18.2. The CONTRACTED PARTY is responsible to transport the engine back to PAMAGL at the conclusion of the hired services as INCOTERMS 2010 – DAP.

18.3. The shipping information for 1 (one) AE3007 A1P, PN 23070401 – SN CAE311642, reidentified to AE3007 A1, PN as per “SB 72-149 – ENGINE – AE 3007A1P TO AE 3007A1 - ENGINE REIDENTIFICATION”, including its accessories, is described on item 4 of the Technical Specification 07/TENG/2017.

18.4. The shipping information for 1 (one) AE3007 A1, PN 23070991 – SN CAE311096, including its accessories is described on item 4 of the Technical Specification 08/TENG/2017

19. CLAUSE - ACTS OF GOD OR FORCE MAJEURE

19.1. Acts of God or force majeure events shall be notified in writing to the PAMAGL's Director, through the MONITOR, so that he may decide appropriate course of action, provided it has been proven that such events affect the services performed in connection with the object of this CONTRACT.

19.2. 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).

20. CLAUSE – VIOLATIONS AND ADMINISTRATIVE SANCTIONS

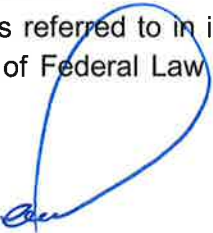
20.1. For the application of administrative sanctions it should be considered the following: the seriousness of the offense; recidivism; damage to the public interest; and the injury to the Administration.

20.2. Failure to comply with the CONTRACT in whole or in part or any breach of the obligations contained in the Invitation for Bid and in this CONTRACT will subject the CONTRACTED PARTY, without prejudice to other civil and criminal penalties, to any and all damages and remedies available to CONTRACTING PARTY under the CONTRACT or applicable law, ensuring due process, to the following penalties:

20.2.1.1. Warning is the administrative penalty imposed when the CONTRACTED PARTY infringes, for the first time, obligations related to delayed contractual terms or invoice presentation for mistakes, or for breach of supervision guidelines within 48 (forty eight) hours from the date of notification of the MONITOR. For the purposes of warning one PAAI should be instructed.

20.2.1.1.1. The warning should not be proposed for recurrence in the same kind of failure cases.

20.2.1.2. Fines referred to in item II of Art. 87 (fine for total or partial non-performance of CONTRACT) of Federal Law nº 8.666 / 93 (Brazil) may be defined and implemented as follow:


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20.2.1.2.1. A fine may be applied for partial non-performance in the amount of 0.2% (zero point two percent) of the total amount of the CONTRACT if the CONTRACTED PARTY fails to comply with any condition set in the CONTRACT; and

20.2.1.2.2. If the CONTRACTED PARTY causes termination of the contract, a fine will be imposed, for non-performance, in the amount of 10% (ten percent) of the current value of the CONTRACT, subject to late-payment penalty or other sanctions pursuant to art. 87 of Federal Law 8.666/93 (Brazil).

20.3. Provided prior defense of the person concerned within 5 (five) business days, the fine for the total or partial non-performance of the CONTRACT, referred to in item II of art. 87 of Federal Law nº 8.666/93 (Brazil), may be applied along with other administrative sanctions provided for in items I, III and IV of art. 87 of Federal Law nº 8.666/93 (Brazil).

20.4. BACW must inform the CONTRACTED PARTY the amount to be collected, exhausted all administrative remedies and the right to legal defense, should the CONTRACTED PARTY discount the value of future payments.

20.5. After the actions mentioned in the previous items, and if it persists the denial of payment of the fine, the Expenses Authority (holder or delegate) of PAMAGL, as appropriate, will forward the process to the Brazilian Attorney General of the National Treasury (PGFN) for analysis and description of the company sanctioned in Active Debt of the Union (DAU) and / or initiate the judicial execution, depending on the amount involved.

20.6. The fine(s) will not relieve the CONTRACTED PARTY of repairing the damages (or compensation for losses suffered by) the Administration, nor rule out the possibility of the imposition of other administrative penalties.

20.7. The application of the fines provided for in the preceding items may be appealed within 5 (five) business days, as provided in item "f", I, art. 109 of Federal Law nº 8.666/93 (Brazil).

20.8. The temporary suspension of participation in bidding processes and the prohibition to contract with the Administration, pursuant to subsection III of Article 87 of Federal Law nº 8.666/93 (Brazil), combined with Article 9 of Federal Law nº 10.520/2002 (Brazil), will be applied in MOs under the jurisdiction of the COMAER, with the following:

20.8.1. For up to 30 (thirty) days:

20.8.1.1. In noncompliance of the deadline for taking corrective measures during the application of the warning sanction; and

20.8.1.2. The disruption of any act of public bidding session.

20.8.2. For up to 3 (three) months:

20.8.2.1. The withdrawal of the proposal, without just cause due to supervening fact;

20.8.2.2. The complaint of the unenforceability of the prices presented; and

1.1.1.1. In presentation of frivolous appeal.

20.8.3. For up to 6 (six) months:

20.8.3.1. The refusal of the winning bidder, convened within the period of validity of its proposal, to sign or accept the contract or withdraw any equivalent instrument;



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20.8.3.2. The absence of financial guarantee submission under this CONTRACT, if applicable;

20.8.3.3. The recurrence of punishable illicit practice in the form of letters "20.8.1" and "20.8.2" of this item, in less than 24 (twenty four) months;

20.8.3.4. The application of the second administrative sanction accompanied by a fine;

20.8.3.5. The implementation of two administrative sanctions warning and a fine under the COMAER with in 12 (twelve) months, unless the supplier has taken corrective action within the period determined by the Administration; and

20.8.3.6. The implementation of two administrative sanctions fine under the COMAER with in 12 (twelve) months, unless the supplier has taken corrective action within the period determined by the Administration;

20.8.4. For up to 12 (twelve) months:

20.8.4.1. When the CONTRACTED PARTY delays unreasonably the execution of the service, which implies termination;

20.8.4.2. When the CONTRACTED PARTY does not pay the fine within the period prescribed in situations where you cannot discount the value of collateral or receivables from performed installments; and

20.8.4.3. The recurrence of punishable default practice in the form of the letter "20.8.3" of this item, within less than 36 (thirty six) months.

20.8.5. Up to 24 (twenty four) months:

20.8.5.1. In the commission of an unlawful act, seeking to frustrate the objectives of this Bidding, such as the formation of collusion or cartel;

20.8.5.2. In the presentation of "fraudulent" documents "adulterated", "false" or "fake";

20.8.5.3. In the issue of "false declaration";

20.8.5.4. In the definitive conviction for willful practice of tax fraud in the collection of taxes related to the CONTRACT;


20.8.5.5. In the shutdown of the service without good cause and without prior notice to the Administration;

20.8.5.6. In the delivery of material "fake" or "adulterated", using trickery to deceive the Administration;

20.8.5.7. In the contractual non-performance resulting in serious damage to the Administration; and

20.8.5.8. In the recurrence of punishable default practice in the form of item "20.8.4" term of less than 48 (forty eight) months.

20.9. For the purposes of this CONTRACT, as regards to the application of the administrative penalty of temporary suspension of participation in bidding and obstruction to CONTRACT with the Administration, the term "Administration" refers to the COMAER.


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20.10. It is understood by failure in the performance of this CONTRACT, means to not complete the provision of the service in accordance with the BASIC PROJECTs contained in this CONTRACT.

20.11. It is understood by disreputable behavior, means the intentional conduct of trying to deceive or corrupt the Administration, or any of its agents, to obtain undue advantage.

20.12. The PAAI application of declaration of unfitness will be forwarded to the State Defense Minister, through the chain of command and the opinion of COJAER, given the exclusive competence of the sanction by the Minister of State. The application of this penalty will occur in any of the situations below:

20.12.1. The CONTRACTED PARTY has suffered definitive conviction for tax fraud;

20.12.2. A business or professional committed unlawful act aimed at frustrating the objectives of the tender;

20.12.3. The Administration may find that the company or professional does not have competence to be hired because of committed unlawful acts; or

20.12.4. Finding, by the Court of the Union, the occurrence of fraud in connection with the Bid.

20.13. The criteria to revoke the Certificate Good Standing, which may not exceed 5 (five) years under the current legislation, will be defined by the Ministry of Defense. Rehabilitation for this sanction may be required by the person concerned after the expiry of 2 (two) years of its application.

20.14. In the event the Certificate of Good Standing is revoked, it will be suggested the application of the penalty which should indicate in their PAAI to the purpose of to provide rehabilitation of the amount to be reimbursed, with due legal charges and any obligations.

21. CLAUSE – LINKAGE

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

22. CLAUSE – TERMINATION

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

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

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

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

22.1.4. Unjustifiable delay in initiating service;

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


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- 22.1.6.** Failure to comply with orders from the authority designated to follow up and supervise the performance of services, or higher authorities;
- 22.1.7.** Repeatedly making errors in the performance of services, duly recorded pursuant to § 1 of Article 67 of Law nº 8,666/93 (Brazil);
- 22.1.8.** Bankruptcy;
- 22.1.9.** Dissolution of company or death of the CONTRACTED PARTY;
- 22.1.10.** Corporate change or alteration of purpose or business of the CONTRACTED PARTY that hinders the performance of the CONTRACT;
- 22.1.11.** 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 this CONTRACT;
- 22.1.12.** Suspension of service, through a written order of the CONTRACTING PARTY, for more than 120 (one hundred twenty) days, in the event of a disasters, domestic disturbances or war, or also repeated suspensions that add up to 120 (one hundred twenty) 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;
- 22.1.13.** A delay for more than 90 (ninety) 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;
- 22.1.14.** Failure of the CONTRACTING PARTY to release the object for the performance of services within the established deadlines;
- 22.1.15.** Acts of God or force majeure that prevents performance of the CONTRACT, which is to be duly demonstrated;
- 22.1.16.** Violation of the provisions of items V of Article 27 of Law nº 8,666/93 (Brazil), notwithstanding the applicable criminal sanctions.
- 22.2.** Termination will be formally recorded under the law, with the right of due process and ample defense ensured.
- 22.3.** Termination of this CONTRACT may be:
- 22.3.1.** Decided unilaterally and in writing by the CONTRACTING PARTY in the event listed under in items 1 to 10, and 16, of this CLAUSE;
- 22.3.2.** Agreeable, through an agreement between the parties, entered as an addendum in the process, provided it is convenient to the CONTRACTING PARTY; and
- 22.3.3.** Judicially, pursuant to applicable legislation.
- 22.4.** The Administrative or agreeable termination shall be preceded by written and well-grounded authorization by the appropriate authority.
- 22.5.** When termination is based on Items 11 through 15 of this CLAUSE, without fault of the CONTRACTED PARTY, it shall be entitled to receive payments due for the performance of the



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CONTRACT up to the date of termination. Under no circumstances shall CONTRACTED PARTY be entitled to any indirect or consequential damages, including lost profits, due to termination.

22.6. Termination for failure to comply with contractual clauses shall cause the financial guaranty to be forfeited to be applied, toward compensating the CONTRACTING PARTY for the fines and indemnifications that are due. Any credits arising from the CONTRACT shall be withheld up to the limits of the losses caused to the CONTRACTING PARTY, in addition to the sanctions provided for herein.

22.7. The term of terminations shall include, as appropriate:

22.7.1. Assessment of contract services provided and those that have been fully completed;

22.7.2. List of payments made and payments due; and

22.7.3. Indemnifications and fines.

23. CLAUSE – JURISDICTION AND CHOICE OF LAW

23.1. 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.

23.2. 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 23 of this CONTRACT.

23.3. In exceptional cases and in the event of circumstances that may affect the performance of obligations assumed by the CONTRACTING PARTY and the CONTRACTED PARTY, in the event of restrictions of Brazilian and COMAER laws, the Parties may choose the international arbitration of one of the International Arbitration Chambers recognized by the CONTRACTING PARTY and the CONTRACTED PARTY.

23.3.1. The decision of the International Chamber of Arbitration is final, definitive and recognized by the CONTRACTING PARTY and the CONTRACTED PARTY, but must be submitted to the Superior Court of Justice, according to the provision contained in art. 105, "I", of the Constitution of the Federative Republic of Brazil, in order to produce its legal effect.

23.4. 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.

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Chief of BACW Bidding and Contracts Division

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Chief of BACW Internal Control



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24. CLAUSE – CORRESPONDENCE AND NOTIFICATION

24.1. 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:

PARQUE DE MATERIAL AERONÁUTICO DO GALEÃO - PAMAGL

Rua Alfredo Rocha, 495 – Ilha do Governador / Rio de Janeiro – RJ – 21941-580 – Brazil

A/C: Contract's Monitor XXX/PAMAGL/2017

Telephone: 55 21 3184 5000

Fax 21 3184 5079

CONTRACTED PARTY:

Name of the CONTRACTED PARTY

Attn: Mr./Mrs. Name of Legal representative

ADDRESS

ADDRESS

Phone:

Fax

E-mail:

25. CLAUSE – NUMBER OF THE COPIES

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

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

25.1.2. (One) original for the CONTRACTED PARTY.

“Intentionally left in blank”

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



CONTRACT DRAFT

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

Rio de Janeiro / Brazil,, **MM/DD/2017.**

For the CONTRACTING PARTY:

NAME
Director of PAMAGL

For the CONTRACTED PARTY:

NAME

WITNESSES:

NAME
Chief of PAMAGL Internal Control

NAME
Contract Monitor

WITNESSES for the CONTRACTED PARTY:

NAME:ID nº

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



CONTRACT DRAFT

ANNEX A

BASIC PROJECT

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



CONTRACT DRAFT

ANNEX B

PRICE PROPOSAL

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control



CONTRACT DRAFT

ANNEX C

PHYSICAL AND FINANCIAL SCHEDULE

PHASE	DESCRIPTION	VALUE (US\$)	TERM FOR EXECUTION	TERM FOR PAYMENT
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
TOTAL		XXXXXX		

Mario Emilio Framil Cabizuca, Maj
Chief of BACW Bidding and Contracts Division

Nazareno Correia Peregrino, Lt Col
Chief of BACW Internal Control