

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



**INVITATION FOR BID 191054/CABW/2019
PAG 67102.191054/2019-16**



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

INVITATION FOR BID 191054/CABW/2019
PAG 67102.191054/2019-16

Approved on: February 17, 2020

LEONARDO GUEDES Col
BACW'S Chief

Legal basis. The Brazilian Federal Government, through the Brazilian Aeronautical Commission in Washington (BACW), announces to whom it may concern, that at the date, time and place shown below, it will hold a Bidding Process, relative to an Invitation For Bid, for the **GREATEST OFFER** (Art 45, § 1, IV of Brazilian Law 8,666/93), in accordance with this Invitation For Bid and its Annexes and the Aeronautical Command Guide (MCA), item 7.1.2.1.3 (a). The bidding process will follow the principles of Law N° 8.666/93 (Brazil), as well as other requirements set forth in this Bid announcement and its Annexes.

Date of Delivery and Opening of Envelopes:	March 9, 2020		
Hours:	10:00 a.m. (U.S. Eastern Standard Time)		
Address:	1701 22nd St. N.W. Washington, D.C., 20008	Telephone:	(202) 483-4031
		Fax:	(202) 483-4684
		Email:	con@cabw.org
Accreditation:	March 9, 2020		
Hours:	10:00 a.m. (U.S. Eastern Standard Time)		



1. DEFINITIONS

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

- 1.1.1. BACW-Brazilian Aeronautical Commission in Washington-DC (CABW);
- 1.1.2. COMAER-Aeronautical Command;
- 1.1.3. CONTRACTED PARTY- Winning Bidder in the Bidding Process, after issue of ratification (“Homologation”) and Bid Award (“Adjudication”);
- 1.1.4. CONTRACTING PARTY- The Brazilian Federal Union-Aeronautical Command, represented by the Brazilian Aeronautical Commission in Washington D.C. (BACW);
- 1.1.5. CONTRACT - The agreement which the Public Administration (CONTRACTING PARTY), acting in this capacity, signs with other Administrative Body (CONTRACTED PARTY), for the purpose of contracting the aeronautical services contemplated here under the conditions established by the Public Administration itself. Within the scope of this document, it is referred to the future contract to be signed between the CONTRACTING PARTY and the CONTRACTED PARTY;
- 1.1.6. DOU- Official Gazette;
- 1.1.7. FAB- Brazilian Air Force;
- 1.1.8. MONITOR – Administration Agent especially appointed as its representative to monitor and oversee Contract performance, whereby the sub-contracting of third parties is permitted to assist and provide information pertaining to its duties in the situations in which his technical knowledge is not sufficient to perform them;
- 1.1.9. MONITORING: Generic term for the activity exercised by the Administration Agent acting as Contract Monitor, or by a specifically and systematically appointed Commission, for the purpose of verifying compliance with contractual provisions and with complementary orders issued by the Administration regarding Contract Execution, in all its aspects, for the purpose of identifying deviations and taking corrective measures, or- when outside of its sphere of competence, forwarding them to a higher-ranking authority;
- 1.1.10. Brazilian Law Nº 8.666: Law dated June 21, 1993, governing art. 37, Line XXI, of the Federal Constitution [of Brazil], establishes rules for the Public Administration’s solicitations and contracts, and provides other guidelines. It establishes general rules or norms on administrative contracts and solicitations relating to projects, services, including advertising, purchases, divestments and rentals within the scope of the Powers of the Union, its States, Federal District and Municipalities;
- 1.1.11. BIDDER- Company submitting a Proposal in the Bidding Process;

2. OBJECT

- 2.1. Selling **6 (six) engines JT3D-3B**, in “scrap” condition, that equipped the KC-137 (Boeing 707) of the Brazilian Air Force in accordance with Annex I of this Invitation For Bid.
- 2.2. For all intents and purposes, this INVITATION FOR BID includes the following ANNEXES:
 - ANNEX I - LIST OF ENGINES;
 - ANNEX II- PRICE PROPOSAL MODEL;
 - ANNEX III- CONTRACT DRAFT;



ANNEX IV – SURVEY DECLARATION MODEL; and
ANNEX V – SURVEY WAIVER MODEL.

3. PARTICIPATION REQUIREMENTS

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

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

3.2.1. Bankruptcy, judicial reorganization or extra-judiciary reorganization;

3.2.2. Company dissolution or liquidation;

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

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

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

4. ACCREDITATION

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

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

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

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

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

4.3. Each registered representative may represent only 1 (one) bidder

5. ENVELOPES COM DOCUMENTOS DE QUALIFICAÇÃO E PROPOSTAS DE PREÇOS

5.1. Each bidder must submit **2 (two) envelopes**, the **1st (first) containing Qualification Documents, the 2nd (second) containing the Price Proposal.**



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

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

<p style="text-align: center;">ENVELOPE Nº 01 – QUALIFICATION BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON INVITATION FOR BID Nº 191054/CABW/2019 COMPANY NAME</p>

<p style="text-align: center;">ENVELOPE Nº 02 – PRICE PROPOSAL BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON INVITATION FOR BID Nº 191054/CABW/2019 COMPANY NAME</p>
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5.4. The ENVELOPE Nº 01 - QUALIFICATION, ENVELOPE No. 02 - PRICE PROPOSAL must mandatorily be placed inside a larger envelope, which must be addressed to the BIDDING COMMISSION. The name and address of the bidder must be shown in the upper-left hand corner of the envelope, and include the Bidding Number, as well as the time and place of the Open Session for the Bidding process, per the following template:

<p style="text-align: center;">C/O OF BIDDING COMMISSION – BID # 191054/CABW/2019 BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON 1701 22nd Street N.W. Washington, DC 20008 SESSION OF March 9, 2020, 10:00 a.m. (EST) (US Standard Eastern Time)</p>
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5.4.1. The envelope may be delivered by mail or other similar shipping service, with tracking and delivery confirmation. The envelope must be delivered in time for open session on **March 9, 2020, 10:00 a.m. (EST)**

5.4.2. Prior to the time of the Open Session, Bidders are encouraged to notify its envelopes' tracking numbers to the BIDDING COMMISSION by the email con@cabw.org.

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

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

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

5.4.6. Envelopes may also be delivered in person to the BIDDING COMMISSION at the



beginning of the open session.

6. QUALIFICATION (ENVELOPE # 01)

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

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

6.2.1. INDIVIDUALS:

6.2.1.1. Copy of the Passport;

6.2.1.2. Copy of the document of accreditation of Individual (e.g. *Cadastro de Pessoa Física* – CPF [Brazil], Social Security Number –SSN (USA), or equivalent.

6.2.2. COMPANIES:

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

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

6.2.2.3. 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.

6.2.2.4. For Brazilian companies, the documents referenced in the above sub-items 6.2.2.1 to 6.2.2.3 may be replaced by **SICAF (Brazilian Unified Suppliers Registration System)** with valid dates, or alternatively the documents prescribed in articles 27 through 32 of Law 8.666/93.

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

6.3.1. **Evidence of Survey**, according to model of Annex IV of this INVITATION FOR BID, **OR**.

6.3.2. **Survey Waiver**, according to model of Annex V of this INVITATION FOR BID.

6.3.2.1. Bidders, whether they carry out an survey or not, cannot complain about the condition of the material, nor can they request technical clarification of the condition of the material by other means, since the material is being disposed of in the “Scrap” condition, as presented (“As Is”).

6.4. Considering the object of this solicitation, the BIDDING COMMISSION may forward the qualification documents to Requesting Military Organization technical department for obtaining a conclusive technical opinion regarding the qualification of the Bidders participating in this Bidding Process.

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

6.6. Proof of filing the requested documents shall not be accepted as a replacement of the actual documents required in this INVITATION FOR BID and its ANNEXs.



7. PRICE PROPOSAL (ENVELOPE # 02)

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

7.2. The price proposal shall be submitted for the whole BATCH, in other words, for all the engines together.

7.2.1. Acquisition of aircrafts individually shall not be accepted.

7.3. The prices offered shall include all expenses resulting from the acquisition of the engines, directly or indirectly, including but not limited to: all costs such as taxes and / or taxes, social contributions, expenses, insurance, workers compensation, civil liability insurance, labor, social security, tax, administration fees, equipment, materials, transportation expenses, insurance, licenses, authorizations, formalities necessary to transport the object of this solicitation outside Brazil and all and any other costs or fees necessary for the execution of the object of the CONTRACT, in accordance with the terms of the Invitation to Bid and its Annexes.

7.4. Expenses on obtaining, and eventual renewals of the authorization by the French Government for intermediation and commercialization of war material shall be borne by the bidder.

7.4.1. In the event that the French Government refuses to provide authorization to the bidder, the respective bidder shall not be entitled to indemnification of any nature, in relation to the expenses incurred as a result of this bidding process.

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

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

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

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

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

7.8. After the qualification phase, withdrawal of proposals will not be permitted, unless due to unforeseeable facts accepted as such by the Commission.

7.9. Offers lower than the appraised value presented in this INVITATION FOR BID shall not be accepted.

8. APPRAISED VALUE

8.1. The appraised value of the object of this INVITATION FOR BID shall be de **USD 3,142.80 (three thousand one hundred forty-two U.S. dollars and eighty cents)**, being the appraised amount per engine of US\$ 523.80.

9. SURVEY BY THE BIDDERS

9.1.1. Survey for the examination and identification of Aircrafts are mandatory and must be performed in the period from **February 20, 2020 from to March 5, 2020** , from 09:30 a.m. to



11:30 a.m. 13:30 a.m. to 3:30 p.m. (EST – Eastern Standard Time), with prior appointment, at the Brazilian Aeronautical Commission's Warehouse, located at 4601 Beech Road, Temple Hills MD 20748, by means of the email con@cabw.org.

9.2. The Bidder's representative (s), expressly authorized, shall be present at the places where the engines, object of this bidding process, during the mentioned period, in order to carry out the surveys. The PROOF OF SURVEY shall be provided, in the form of Annex IV, signed by a COMAER representative and by the representative(s) of the bidders.

9.2.1. PROOF OF SURVEY must be submitted in the qualification envelope.

9.3. In order to perform the surveys, the representative (s) must present a document proving that they are accredited by the interested party, which can be a simple Letter informing the company data (Corporate Name, address, CNPJ, contacts and etc.) and the information of the person who will be performing the survey (name, identity, CPF and etc.).

9.4. COMAER will not be responsible for any kind of alteration of the quality and other conditions of the goods, which shall be delivered in the state that they are, when they are effectively removed by the CONTRACTED PARTY, being their full responsibility and risk the use of the items purchased.

9.5. The address mentioned in the clause, where the engines are located under the guard of the Brazilian Aeronautical Commission in Washington D.C. is located in the United States Brazil, therefore interested parties shall be responsible for all transport, food, subsistence and other expenses that may be necessary to perform the surveys described in this Clause.

9.6. Bidders, whether they carry out an survey or not, cannot complain about the condition of the material, nor can they request technical clarification of the condition of the material by other means, since the material is being disposed of in the "Scrap" condition, as presented ("As Is").

10. PROCEDURE FOR OPENING ENVELOPES

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

10.2. At the time, date and place indicated in this INVITATION FOR BID, in an open session, in the presence of all bidders, the Bidding Commission shall receive sealed envelopes (item 5), containing **Envelopes n.º 01 and n.º 02** and start the Bidding Process.

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

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

10.4. 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.

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

10.5.1. The content of the envelopes must be initialed by members of the Bidding



Commission and by all present Bidder's representatives.

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

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

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

10.6.2. Considering the situation described in the **item 10.5.1**, if the Bidding Commission deems it necessary, it may postpone the open session, for the purpose of analyzing the documents submitted by the bidders, at which time it must inform the bidders of the time and place for the new meeting; all initialed qualification documents, as well as Envelopes 2- Price Proposals with the initials of all members of the Bidding Commission and all present Bidders, shall be kept by the Bidding Commission until completion of the qualification phase.

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

10.8. After analyzing qualification documents, a timeframe of 2 (two) business days shall be granted to the bidders for the submission of possible appeals. After that, a new date for the opening of the price proposal shall be announced.

10.9. In exceptional circumstances, the opening of the price proposals may occur during the same meeting, in the following cases:

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

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

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

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

10.12. After the qualification phase, the Bidding Commission shall proceed to open Envelopes nº 02 – PRICE PROPOSALS.

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

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

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

10.13.1.1. Taking into account the complexity of the services to be provided, the



BIDDING COMMISSION may submit to the Requesting Military Organization technical department the documents associated with the PRICE PROPOSAL, for the purpose of obtaining a definitive technical opinion regarding the price proposals received from the participating Bidders.

10.13.2. Considering the situation described in **item 10.11.1**, if the Bidding Commission should deem it necessary, it may postpone the open session, for the purpose of analyzing the documents submitted by the bidders, at which time it must inform all bidders of the time and place set for the new meeting. All price proposals documents which have already been initialed shall be kept by the Bidding Commission until completion of the proposal phase.

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

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

11. QUALIFICATION DOCUMENTS REVIEW

11.1. Bidders shall be disqualified if:

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

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

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

12. PRICE PROPOSAL REVIEW

12.1. The criteria for reviewing price proposals shall be the **HIGHEST OFFER**.

12.2. A Proposal shall be **DISQUALIFIED** if:

12.2.1. It does not comply with **item 7** of this INVITATION FOR BID;

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

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

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

12.2.5. If they present offer lower the appraised value demonstrated in this INVITATION FOR BID;

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



12.4. Bidders shall be notified of the outcome of Price Proposal evaluation through publication on the BACW website, as through submission of the Meeting Minutes from the Open Session to the accredited legal representatives' emails, whose price proposals were opened.

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

13. PROPOSAL RANKING

13.1. Final ranking of proposals shall occur in accordance with the **HIGHEST OFFER criteria**.

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

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

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

14. RATIFICATION (“HOMOLOGATION” AND BID AWARD (“ADJUDICATION”))

14.1. The services contemplated by this Bidding Process shall be awarded to the Bidder with the **HIGHEST OFFER FOR THE BATCH**.

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

15. CONTRACT

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

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

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

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

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



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

16. SUBCONTRACTING

16.1. Subcontracting is not permitted for this solicitation.

17. TERMS

17.1. Validity Term

17.1.1. This Contract's validity term shall be **120 (one-hundred and twenty) days** starting on signature date.

17.1.2. Under exceptional circumstances, with proper justification and approval by a higher-ranking authority, the validity term may be extended by 12 months, as per §1º of Art. 57 of Law Nº 8,666/93.

17.2. Execution Time

17.2.1. The Contract's execution time shall be **60 (sixty) days**, starting on the issue of the respective Service Order, i.e. the document signed by the CONTRACTING PARTY's legal representative, authorizing the commencement of service performance.

17.2.2. The issuance of a Service Order is subject to the full payment of the offered value.

17.3. Timeframe for Aircrafts Removal

17.3.1. The winning bidder shall remove the acquired aircrafts within 60 (sixty) days, after the issuance of the Service Order.

17.4. Payment Processing Time

17.4.1. The winning bidder shall perform the full payment within 5 (five) days from the Contract execution.

18. PERFORMANCE LOCATION

18.1. The engines are located at the Brazilian Aeronautical Commission Warehouse, located at 4601 Beech Road, Temple Hills MD 20748.

19. CHANGES TO THE CONTRACT

19.1. The offered value by the bidders is fixed and firm.

20. PAYMENT

20.1. Payment term shall be 5 (five) business days starting on date of Contract execution.

20.2. The payment shall be made in full in U.S. Dollars (US\$), being the CONTRACTED PARTY required to contact the FINANCIAL DIVISION of the CONTRACTING PARTY during business days and operative time (7:15 am to 12 pm and 1 pm to 3:15pm), with the objective of obtaining the instructions for performing the payment.

21. MONITORING

21.1. The MONITORING must be performed by members of the Administration, specifically appointed by the Administration.



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

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

22. REMOVAL OF THE OBJECT

22.1. The CONTRACTED PARTY shall remove the acquired aircrafts within 60 (sixty) days, after the issuance of the Service Order, from BACW's Warehouse, in accordance with item 18 of this Invitation for Bid.

22.2. The CONTRACTING PARTY shall officially communicate to the CONTRACTED PARTY, through the issuance of the Service Order, for the release of the object of the CONTRACT.

22.2.1. The removal of the object of the CONTRACT shall depend on prior coordination with the CONTRACT MONITOR indicated by the CONTRACTING PARTY regarding security aspects and schedules for its operationalization.

22.3. In case the CONTRACTED is unable to remove the engines within the specified period, it must formalize the request with an explanatory statement and submit it to the Expenses Supervisor of the CONTRACTING PARTY, regardless of the applicable sanctions.

22.4. All proposals, questions, discrepancies and difficulties encountered during the execution of the CONTRACT or that need an evaluation shall be presented to the MONITOR, for consideration by the Expenses Supervisor (BACW's Chief).

23. FORCE MAJEURE AND UNFORESEEABLE EVENTS

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

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

24. OBLIGATIONS OF THE CONTRACTING PARTY AND CONTRACTED PARTY

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

25. CONTRACT TERMINATION

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



26. ADMINISTRATIVE SANCTIONS AND PENALTIES

26.1. The application of administrative sanctions must take into account the gravity of the failure, its recurrence, the damage caused to Public Interest and the loss caused to the Administration, in accordance with terms and conditions foreseen on **Clause 22** of the Contract, Annex III of this Invitation For Bid.

27. APPEALS

27.1. The Administration's (BACW) actions during this bidding process may be appealed as follows:

27.1.1. Appeal to the BIDDING COMMISSION within **2 (two) business days** of date of notification or record of meeting minutes/session, in case of:

27.1.1.1. Bidder qualification or disqualification;

27.1.1.2. Proposal judgment;

27.1.1.3. Annulment or repeal of bidding process;

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

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

27.2. After a bidder files an appeal, the other bidders shall be informed so that they may submit counter-arguments within a period of **2 (two) business days**.

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

27.3.1. Should it reject the reasons presented in the appeal, the Bidding Commission must send the appeal to BACW's Chief, for due evaluation within an addition **5 (five) day period**, which shall be duly notified.

28. GENERAL PROVISIONS

28.1. 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 **2 (two) business days** before the delivery of the proposals.

28.1.1. 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.

28.2. Participation in this bidding process, including the delivery of qualification documents and price proposal, 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.

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

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



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

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

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

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

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

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

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

E-mail: con@cabw.org

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

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

Washington, DC, February 17, 2020.

LEANDRO FERNANDES DA SILVA ROMAN Lt Col.
President of BACW’s Bidding Commission



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

**INVITATION FOR BID 191054/CABW/2019
PAG 67102.191054/2019-16**

ANNEX I – Engine List

Serial Number	Type	External Dimensions	Engine Dimensions	Estimated Weight	Appraised Value
P 645212 BAB	JT3D-3B	142 x 60 x 68 in (WxDxH)	142 x 52 in (WxR)	1,455 kg 3207.73 lb	USD 523.80
P 645540 BAB	JT3D-3B	142 x 60 x 68 in (WxDxH)	142 x 52 in (WxR)	1,455 kg 3207.73 lb	USD 523.80
P 644019 BAB	JT3D-3B	142 x 60 x 68 in (WxDxH)	142 x 52 in (WxR)	1,455 kg 3207.73 lb	USD 523.80
P 642742 BAB	JT3D-3B	142 x 67 x 89 in (WxDxH)	142 x 52 in (WxR)	1,455 kg 3207.73 lb	USD 523.80
P 668828 BAB	JT3D-3B	142 x 67 x 89 in (WxDxH)	142 x 52 in (WxR)	1,455 kg 3207.73 lb	USD 523.80
P 668707 BAB	JT3D-3B	142 x 67 x 89 in (WxDxH)	142 x 52 in (WxR)	1,455 kg 3207.73 lb	USD 523.80
Total Avaliado					USD 3,142.80

Appraisal Methodology nº 001/FCGP-2/2018.



Price Proposal – Annex II

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

PAGINA 1 of 2

Part 1 Representative Identification

Representative Name

Last Name

Given Name

Middle Name

--	--	--

Identification Number (Federal Id with Photo)

E-mail Address

--	--

Phone Number

Fax Number

--	--

Company's Name

--

The company mentioned above, makes a proposal to be judged based on the **HIGHEST OFFER**, for selling **6 (six) engines JT3D-3B**, in “scrap” condition, that equipped the KC-137 (Boeing 707) of the Brazilian Air Force in accordance with Annex I of this Invitation For Bid 191054/CABW/2019.

Part 2 Statements

Initial of the
representative

1-	The prices offered shall include all expenses resulting from the acquisition of the aircraft, directly or indirectly, including but not limited to: all costs such as taxes and / or taxes, social contributions, expenses, insurance, workers compensation, civil liability insurance, labor, social security, tax, administration fees, equipment, materials, transportation expenses, insurance, licenses, authorizations, formalities necessary to transport the object of this solicitation outside Brazil and all and any other costs or fees necessary for the execution of the object of the CONTRACT, in accordance with the terms of the Invitation to Bid and its Annexes	(place initial)
2-	We hereby acknowledge the content of INVITATION TO BID and its Annexes, fully and irrevocably accepting its terms and requirements, as well as all relevant legislation. This price proposal shall be valid for 60 (sixty) days starting on the date on which proposals are opened, after which time it shall be subject to confirmation by our Company.	(place initial)
3-	COMAER will not be responsible for any kind of alteration of the quality and other conditions of the goods, which will be delivered in the state that they are when they are effectively removed by the CONTRACTED PARTY, being their full responsibility and risk the use of the items purchased.	(place initial)



Price Proposal – Annex II

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

PÁGINA 2 of 2

Part 3 Price Proposal

Serial Number	Type	Offered Value
P 645212 BAB	JT3D-3B	
P 645540 BAB	JT3D-3B	
P 644019 BAB	JT3D-3B	
P 642742 BAB	JT3D-3B	
P 668828 BAB	JT3D-3B	
P 668707 BAB	JT3D-3B	
TOTAL OFFER		

The price proposal shall be submitted for the whole BATCH, in other words, for all the engines together. Acquisition of aircrafts individually shall not be accepted.

Part 4 Authentication

Representative printed name

Representative signature

Date of signing

<input type="text"/>	<input type="text"/>
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ANNEX III
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

DRAFT / MINUTA



CONTRACT [NUM]/CABW/2020

INVITATION FOR BID 191054/CABW/2019
PAG 67102.191054/2019-16

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OFFICER / Rank
CONTRACT MONITOR

OFFICER /Rank
Internal Control Agent.



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PAG N°: **67102.1910542019-16**
CONTRACT N° **[NUMBER]/CABW/2020**

SELLING 6 (SIX) ENGINES JT3D-3B, IN “SCRAP”
CONDITION, BETWEEN THE FEDERAL UNION,
REPRESENTED HEREWITH BY THE BRAZILIAN
AERONAUTICAL COMMISSION IN WASHINGTON
D.C., AND COMPANY **[COMPANY NAME]**

The Federal Government, through the Brazilian Aeronautical Commission in Washington, with main offices located at **1701 22nd St N.W. Washington, D.C. 20008**, represented herein by your Expenses Supervisor, **Col ROBERTO MARTIRE PIRES**, in the use of his legal attributions and as per Art 61 of Brazilian Federal Law n° 8,666/93, hereinafter referred to as the CONTRACTING PARTY, and the company **[CONTRACTED PARTY NAME]**, located at **[ADDRESS]**, ZIP CODE **[ZIP CODE]**, [State], henceforth referred to as the **CONTRACTED PARTY**, represented by Mr. **[LEGAL REPRESENTATIVE]** bearer of ID Card N **[NUMBER]**, and based on **PAG 67102.191054/2019-16**, as well as on the final outcome of Bid N°. **191054/CABW/2019**, according to the principles of Brazilian Law N° 8,666/93, and other related legislation, decide to stipulate this CONTRACT and execute this agreement, in according with the following terms and conditions:

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1. DEFINITIONS

1.1. In order to facilitate comprehension of terminology and simplify the composition of the text, the following abbreviations and phrases were adopted, with the meanings provided beside them:

- 1.1.1. BACW- Brazilian Aeronautical Commission in Washington, DC; (CABW)
- 1.1.2. COMAER- Aeronautical Command;
- 1.1.3. CONTRACTED PARTY- Winning Bidder in the Bidding Process, after issue of ratification (“Homologation”) and Bid Award (“Adjudication”);
- 1.1.4. CONTRACTING PARTY- The Brazilian Federal Union-Aeronautical Command, represented by the Brazilian Aeronautical Commission in Washington D.C.(BACW);
- 1.1.5. CONTRACT- The agreement which the Public Administration (CONTRACTING PARTY), acting in this capacity, signs with other Administrative Body (CONTRACTED PARTY), for the purpose of contracting the aeronautical services contemplated here under the conditions established by the Public Administration itself. Within the scope of this document, it is referred to the future contract to be signed between the CONTRACTING PARTY and the CONTRACTED PARTY;
- 1.1.6. DOU- Official Gazette;
- 1.1.7. FAB- Brazilian Air Force;
- 1.1.8. MONITOR – Administration Agent especially appointed as its representative to monitor and oversee Contract performance, whereby the sub-contracting of third parties is permitted to assist and provide information pertaining to its duties in the situations in which his technical knowledge is not sufficient to perform them;
- 1.1.9. MONITORING: Generic term for the activity exercised by the Administration Agent acting as Contract Monitor, or by a specifically and systematically appointed Commission, for the purpose of verifying compliance with contractual provisions and with complementary orders issued by the Administration regarding Contract Execution, in all its aspects, for the purpose of identifying deviations and taking corrective measures, or- when outside of its sphere of competence, forwarding them to a higher-ranking authority;
- 1.1.10. ICA- Aeronautical Command Normative;
- 1.1.11. Brazilian Law N° 8.666: Law dated June 21, 1993, governing art. 37, Line XXI, of the Federal Constitution [of Brazil], establishes rules for the Public Administration’s solicitations and contracts, and provides other guidelines. It establishes general rules or norms on administrative contracts and solicitations relating to projects, services, including advertising, purchases, divestments and rentals within the scope of the Powers of the Union, its States, Federal District and Municipalities;
- 1.1.12. BIDDER- Company submitting a proposal to the Bidding Process;
- 1.1.13. PAAI- Formal internal administrative process consisting in the log of all acts and inquiries into the administrative events, which are necessary to clarify and review judgments by the Competent Authority, allowing due process, and possibly culminating in the application of the administrative sanctions established by Law;

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2. CLAUSE- OBJECT

2.1. Selling **6 (six) engines JT3D-3B**, in “scrap” condition, that equipped the KC-137 (Boeing 707) of the Brazilian Air Force in accordance with Annex I of this CONTRACT.

2.2. For all intents and purposes, the following ANNEXES are an integral part of this CONTRACT, regardless of whether they exist or not, they are noted below:

- ANNEX A- LIST OF ENGINES;
- ANNEX B- PRICE PROPOSAL MODEL;
- ANNEX C- CONTRACT DRAFT IN PORTUGUESE;

3. CLAUSE – LANGUAGE

3.1. It is hereby agreed between the parties that the language for this CONTRACT, for the purposes of its records, correspondence, and any other matter, shall be **English**, with a translation **into Portuguese**, which shall form an integral part of the Contract, as per **ANNEX C** replicating the same content and featuring the same signatures from both parties and witnesses.

4. CLAUSE- OBLIGATIONS

4.1. The CONTRACTED PARTY commits to the following:

- 4.1.1. Faithfully fulfill this CONTRACT, executing the object in its entire and exclusive responsibility;
- 4.1.2. Keep updated the address, telephone (s), fax and electronic mail to contact its responsible or designated agent to receive communication of occurrences related to the object of this Contract;
- 4.1.3. Present and maintain updated list of the persons allocated in any capacity to the execution of the removal of the object of this Contract from the Brazilian Air Force’s facilities;
- 4.1.4. Consult the CONTRACT MONITOR whenever there is a need for clarification regarding the subject matter of this CONTRACT;
- 4.1.5. Comply with the requirements of the CONTRACTING PARTY regarding the execution of the removal of the object of this CONTRACT;
- 4.1.6. Recruit on its behalf and under its sole and exclusive responsibility the employees necessary for the perfect execution of the removal of the object of this Contract from the Brazilian Air Force’s facilities, being responsible for making all the payments of salaries, based on the salary and other rights set for each category, by means of an agreement or collective labor agreement, normative sentence or other form provided by law. The fulfillment of other labor, fiscal and commercial obligations, including liability arising from accidents, indemnities and insurance and any others, as a result of being an employer, without any solidarity of the CONTRACTING PARTU, also, with the social security obligations;
- 4.1.7. Not disclose any information to which it has access or that it has become aware as a result of the execution of the removal of the object of this CONTRACT, without the written authorization of the CONTRACTING PARTY.

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- 4.1.8. Maintain, throughout the execution of the CONTRACT, all conditions of qualification and financial qualification of the solicitation in compatibility with the obligations assumed in this CONTRACT, informing the BACW about an act or fact that changes the initial conditions of the qualification;
- 4.1.9. The complete removal of the Aircrafts, object of this Contract, under the supervision of the CONTRACTING PARTY, or other Military Organization designated for this purpose, observing the provisions of this CONTRACT;
- 4.1.10. Bear all expenses related to insurance, taxes, fees and services, salary payments, social charges provided for in labor, social security, tax and any other expenses arising from their status as employer, regarding the execution of the object of this CONTRACT, including registrations, reproductions and authentications of the Contract and related documents, if necessary, including any and all expenses necessary for the removal of material from ALA 1, ALA 2 and Brazil.
- 4.1.11. All provisions and obligations established in the specific labor accident legislation, when, in cases of such kind, the employees or agents assigned to the execution of the object of this CONTRACT are victims in the performance of the removal of the object or in connection with it.
- 4.2. The CONTRACTING PARTY, with assistance from the MONITORING team, duly appointed to this end, shall be obligated to:
- 4.2.1. Provide all conditions to enable the CONTRACTED PARTY to perform the services, in accordance with the provisions of the CONTRACT, INVITATION FOR BID and their ANNEXES.
- 4.2.2. Demand the fulfillment of all obligations undertaken by the CONTRACTED PARTY in accordance with the provisions set forth in the BASIC PROJECT PLAN, in the CONTRACT, and in the terms and conditions of its proposals;
- 4.2.3. Exercise oversight over all Administration agents specifically appointed to this task, who may record any flaws encountered;
- 4.2.4. Notify the CONTRACTED PARTY in writing of any irregularities in the performance of the services, establishing a timeframe for their correction as per ICA 12-23;
- 4.2.5. Certify that, throughout CONTRACT execution, all eligibility and qualification requirements set forth in the bid shall be maintained, in accordance with the obligations undertaken by the CONTRACTED PARTY.

5. CLAUSE- CONTRACT AMOUNT

- 5.1. The total Contract amount is **US\$ [VALUE] (AMOUNT)**, in accordance with the PRICE PROPOSAL from the CONTRACTED PARTY, in accordance with the amount offered per aircraft as follows:
- 5.2. The contract amount shall include all expenses resulting from the acquisition of the engines, directly or indirectly, including but not limited to: all costs such as taxes and / or taxes, social contributions, expenses, insurance, workers compensation, civil liability insurance, labor, social security, tax, administration fees, equipment, materials, transportation expenses, insurance, licenses, authorizations, formalities necessary to transport the object of this solicitation outside

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Brazil and all and any other costs or fees necessary for the execution of the object of the CONTRACT, in accordance with the terms of the Invitation to Bid and its Annexes.

6. CLAUSE- SUBCONTRACTING

6.1. Subcontracting is not permitted for this solicitation.

7. CLAUSE- TERMS

7.1. Validity Term

7.1.1. This Contract's validity term shall be **120 (one-hundred and twenty) days** starting on signature date.

7.1.2. Under exceptional circumstances, with proper justification and approval by a higher-ranking authority, the validity term may be extended by 12 months, as per §1º of Art. 57 of Law Nº 8,666/93.

7.2. Execution Time

7.2.1. The Contract's execution time shall be **60 (sixty) days**, starting on the issue of the respective **Service Order**, i.e. the document signed by the CONTRACTING PARTY's legal representative, authorizing the commencement of service performance.

7.2.1.1. The issuance of a Service Order is subject to the full payment of the offered value.

7.3. Timeframe for Engine Removal

7.3.1. The winning bidder shall remove the acquired aircrafts within 60 (sixty) days, after the issuance of the Service Order.

7.4. Payment Processing Time

7.4.1. The winning bidder shall perform the full payment within 5 (five) days from the Contract execution.

8. CLAUSE- PERFORMANCE LOCATION

8.1. The engines are located at the Brazilian Aeronautical Commission Warehouse, located at 4601 Beech Road, Temple Hills MD 20748.

9. CLAUSE- CHANGES TO THE CONTRACT

9.1. The offered value by is fixed and firm.

10. CLAUSE- PAYMENT

10.1. Payment term shall be 5 (five) business days starting on date of Contract execution.

10.2. The payment shall be made in full in U.S. Dollars (US\$), being the CONTRACTED PARTY required to contact the FINANCIAL DIVISION of the CONTRACTING PARTY during business days and operative time (7:15 am to 12 pm and 1 pm to 3:15pm), with the objective of obtaining the instructions for performing the payment.

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11. CLAUSE- MONITORING

11.1. The MONITORING must be performed by members of the Administration, specifically appointed by the Administration.

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

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

12. CLAUSE – REMOVAL OF OBJECT

12.1. The CONTRACTED PARTY shall remove the acquired aircrafts within 60 (sixty) days, after the issuance of the Service Order, from BACW's Warehouse, in accordance with **item 8** of this CONTRACT.

12.2. The CONTRACTING PARTY shall officially communicate to the CONTRACTED PARTY, through the issuance of the Service Order, for the release of the object of the CONTRACT.

12.2.1. The removal of the object of the CONTRACT shall depend on prior coordination with the CONTRACT MONITOR indicated by the CONTRACTING PARTY regarding security aspects and schedules for its operationalization.

12.3. In case the CONTRACTED is unable to remove the engines within the specified period, it must formalize the request with an explanatory statement and submit it to the Expenses Supervisor of the CONTRACTING PARTY, regardless of the applicable sanctions.

12.4. All proposals, questions, discrepancies and difficulties encountered during the execution of the CONTRACT or that need an evaluation shall be presented to the MONITOR, for consideration by the Expenses Supervisor (BACW's Chief).

13. CLAUSE – FORCE MAJEURE AND UNFORSEEABLE EVENTS

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

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

14. CLAUSE- ADMINISTRATIVE SANCTIONS AND PENALTIES

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

14.2. Failure to fulfill the CONTRACT in full or in part, or any breach of the obligations set forth in the CONTRACT, shall subject the CONTRACTED PARTY to the following penalties, without exclusion of other civil and criminal penalties, and to any and all damages and resources

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available to the contract by the CONTRACTING PARTY, in the terms of the CONTRACT or applicable legislation, ensuring due legal process:

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

14.2.2. A WARNING shall not be issued in cases of recurring faults in the same category of breach of contractual obligations.

14.2.3. The FINES referenced in Line II, of art. 87 (such as, for example, due to total or partial failure to execute the Contract) of Law nº 8.666/93, may be defined and applied:

14.2.3.1. For total or partial non-execution of Contract:

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

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

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

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

14.4.1. If payment is not fulfilled in the above manner, the fines owed will be deducted, activating the CONTRACT'S financial guarantee.

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

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

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

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

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14.8.1. For up to 30 (thirty) days:

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

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

14.8.2. For up to 3 (three) months:

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

14.8.2.2. Claim that the prices offered are inviable;

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

14.8.3. For up to 6 (six) months:

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

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

14.8.3.3. Repeated occurrence of a punishable act as established in sub-items **14.8.1** and **14.8.2** of this item, in under 24 (twenty-four) months;

14.8.3.4. Application of a second administrative sanction fee within the same Contract;

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

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

14.8.4. For up to 12 (twelve) months:

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

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

14.8.4.3. In case of repeated punishable defaults per description provided in subparagraph **14.8.3**, in less than 36 (thirty-six) months;

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

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

14.8.5.2. Submission of 'fraudulent', 'adulterated', 'false' or 'falsified' documents;

14.8.5.3. Issue of a 'false statement';

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

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

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14.8.5.6. Delivery of 'falsified' or 'adulterated' supplies, using artifice to deceive the Administration;

14.8.5.7. Repeated non-execution of Contract resulting in grave damages to the Administration; and

14.8.5.8. Repeated occurrence of punishable default as defined in sub-paragraph **14.8.4.** in under 48 (forty-eight) months.

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

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

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

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

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

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

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

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

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

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

15. CLAUSE- LINKAGE

15.1. This CONTRACT is bound to the INVITATION FOR BID N° 191054/CABW/2019, to the CONTRACTED PARTY's Price Proposal, submitted by [COMPANY NAME] to the BACW.

16. CLAUSE – TERMINATION

16.1. In accordance with the dispositions of Article 78 of Law N° 8.666 / 93 (Brazil), the following are sufficient reasons to terminate the Contract;

16.1.1. Not performing of contract clauses, specifications, projects and timeframes

16.1.2. Irregular fulfillment of contract clauses, specifications, projects and timeframes;

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- 16.1.3.** Slowness in execution, leading the CONTRACTING PARTY to prove it is inviable to complete services within the established timeframes;
- 16.1.4.** Unjustified delay in starting the service;
- 16.1.5.** Interruption in the service, without just cause, and without advance warning to the CONTRACTING PARTY;
- 16.1.6.** Total or partial subcontracting of the object, the CONTRACTED PARTY's partnership with other companies, total or partial transfer, such as a merger, split or incorporation, in forms not allowed by the INVITATION FOR BID and this CONTRACT;
- 16.1.7.** Non-compliance with the orders issued by the authority appointed to oversee and inspect the performance of services, or of higher-ranking authorities;
- 16.1.8.** Repeated errors in execution, recorded as prescribed by §1º of Art. 67, Law Nº Lei 8.666/93;
- 16.1.9.** Filing for bankruptcy or enactment of civil insolvency;
- 16.1.10.** Dissolution of the company or death of the contracted individual;
- 16.1.11.** Corporate change or modification of the CONTRACTED PARTY's purpose or structure, in a manner which compromises CONTRACT performance;
- 16.1.12.** Public interest reasons (Brazil), of great importance, and widely known, justified and ordered by a higher-ranking executive authority with jurisdiction over the CONTRACTING PARTY, based on an administrative proceeding established in the CONTRACT;
- 16.1.13.** Suspension of services, based on written order from the CONTRACTING PARTY, for a period of over 120 (one hundred and twenty) days, except in cases of natural disaster, civil unrest or war, or repeated suspensions adding up to the same length of time. In addition to the payment required as indemnification to the CONTRACTED PARTY, The CONTRACTED PARTY is also entitled to suspend the fulfillment of its obligations until normalcy is restored;
- 16.1.14.** A delay greater than 90 (ninety) days in the payments owed by the CONTRACTING PARTY, for completed and accepted services, deliveries and work, except in case of disasters, domestic disorder or wars. The CONTRACTED PARTY shall be entitled to suspend the fulfillment of its obligations until normalcy is restored;
- 16.1.15.** Failure by the CONTRACTING PARTY to make available the facilities or object for the performance of services within the established deadlines;
- 16.1.16.** Unforeseeable or Force Majeure events, preventing Contract Execution, a fact which shall be deemed proved; and
- 16.1.17.** Non-compliance with line V, Art. 27 of Law Nº 8.666/ 93, without excluding applicable criminal sanctions.
- 16.2.** The termination shall be formally recorded in accordance with the law, ensuring the right to due legal process and ample defense;
- 16.3.** The termination of this CONTRACT may be:
- 16.3.1.** Unilaterally decided (if justified) by the CONTRACTING PARTY in the events listed in items **16.1.1** through **16.1.12** e **16.1.16** of this Clause;
- 16.3.2.** It may be amicable, further to agreement between the parties, recorded in an amendment to the CONTRACT, provided this is in the CONTRACTING PARTY'S interest;

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and

16.3.3. Judicially, in accordance with applicable legislation.

16.4. Administrative or amicable terminations must be preceded by a written authorization, with adequate justification by the competent authority.

17. CLAUSE- CHOICE OF LAW

17.1. This CONTRACT shall be processed and interpreted in accordance with the principles of Law N°8.666/93, and shall be governed and executed 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.

17.2. The parties agree to make a diligent, good faith attempt to amicably resolve any conflicts before either party initiate litigation in the terms of Clause 14 of this CONTRACT.

17.3. Any controversy or complaint related to this Contract, such as a Contract violation, must be submitted to the Superior Court or to the United States District Court for the District of Columbia, to the jurisdiction to which the parties irrevocably submit.

18. CLAUSE- NOTIFICATIONS AND CORRESPONDENCE

18.1. 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, and must be delivered to the addresses indicated below by one party to the other party or from any other addresses that may be communicated by the PARTIES, throughout the validity of this CONTRACT.

CONTRACTING PARTY

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

Attn: Contract Department

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

Phone: 202/518-7359

Fax: 202/483-4684

E-mail: con@cabw.org

CONTRACTED PARTY

CONTRACTED PARTY'S NAME

Attn: Mr./Ms. [Name of Legal Representative]

ADDRESS:

Telephone:

Fax

Email:

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19. CLÁUSULA - CONFIDENTIALITY

19.1. As CONFIDENTIAL INFORMATION must be used exclusively for the purposes of the CONTRACT and negotiations between the CONTRACTED PARTY and the CONTRACTING PARTY.

20. CLAUSE- NUMBER OF COPIES

20.1. It is agreed that this Contract shall be issued in 2 (two) original copies, of equal form and content.

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

20.1.2. (One) original for the CONTRACTED PARTY.

20.2. In witness thereof, the parties sign this CONTRACT in 2 (two) original copies, of equal form and content in the presence of the undersigned witnesses

Washington DC, [MM]/[DD]/[YEAR].

For the CONTRACTING PARTY

MINUTA/DRAFT

BACW's Chief

For the CONTRACTED PARTY

NAME

WITNESSES FOR THE CONTRACTING PARTY

MINUTA/DRAFT

Internal Control Agent

MINUTA/DRAFT

CONTRACT MONITOR

WITNESSES FOR THE CONTRACTED PARTY

NAME:ID N°.....

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ANNEX A

ENGINE LIST

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ANNEX B

PRICE PROPOSAL

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OFFICER / Rank
CONTRACT MONITOR

OFFICER /Rank
Internal Control Agent.



ANNEX C-

CONTRACT DRAFT IN PORTUGUESE

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OFFICER / Rank
CONTRACT MONITOR

OFFICER /Rank
Internal Control Agent.



ANNEX IV – SURVEY DECLARATION MODEL

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

Part 1 Representative Identification

Representative Name

Last Name	Given Name	Middle Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Identification Number (Federal Id with Photo)	E-mail Address
<input type="text"/>	<input type="text"/>

Phone Number	Fax Number
<input type="text"/>	<input type="text"/>

Company's Name
<input type="text"/>

I hereby declare, that the representative of the company above identified performed the **SURVEY** on this date for the items that are object of this solicitation for 2.1. Selling 6 (six) engines JT3D-3B, in “scrap” condition, that equipped the KC-137 (Boeing 707) of the Brazilian Air Force, in accordance with the List of Engines, Annex I of the Invitation For Bid 191054/CABW/2019, acknowledging all conditions and their peculiarities as well as the conditions of any nature that may influence the state and quality of the items.

Temple Hills, MD **[DAY]** of **[MONTH]** of **2020**

NAME/Rank
ALA 1 Representative

Identification document:



BACW
4601 Beech Road,
Temple Hills MD 20748

NAME
Representative

Identification document:

{Company's letterhead}

[NAME]
[ADDRESS]
[PHONE / E-MAIL]

**INVITATION FOR BID 191054/CABW/2019
PAG 67102.191054/2019-16**

ANNEX V –SURVEY WAIVER MODEL

The company [NAME], located at [ADDRESS], ZIP CODE [ZIP CODE], [State], represented by Mr. [LEGAL REPRESENTATIVE] bearer of ID Card nº [NUMBER] **DECLARES** acknowledge the content of INVITATION TO BID 191054/CABW/2019 and its Annexes, **DECIDING** to waive the performance of the survey on the engines, in “Scrap” condition, not transferring by any means to the Brazilian Aeronautical Command any responsibility in regards to the presentation of the price proposal related to the condition of the material.

[PLACE], [DAY] of [MONTH] of 2020

Legal Representative