



DEFENSE MINISTRY
AERONAUTICS COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

BASIC PROJECT 08 / ADM / 2020

Legal support: Prepared in accordance with the premises set forth in art. 123 of Law No. 8.666 / 1993, in Item IX of Art. 6 of the aforementioned Law and in the Bidding and Contracts Manual - TCU Guidelines and Jurisprudence.

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1. PREFACE

- 1.1. The purpose of this basic project is to contract a Workers Compensation Insurance Policy for contracted employees who work for the Brazilian Aeronautical Commission in Washington - BACW and for the Brazilian Defense and Aeronautical Department in the United States and Canada.

2. DEFINITIONS

- 2.1. In order to facilitate the understanding of the terms used in this Project, please pay attention to the following definitions:
 - 2.1.1. CABW - Brazilian Aeronautical Commission in Washington D.C.
 - 2.1.2. CONTRACTING PARTY - Brazilian Aeronautical Commission in Washington D.C.
 - 2.1.3. CONTRACTOR - Company contracted to supply the object.

3. OBJECT

3.1. The object of this term is the contracting of a Worker Compensation Policy for the contracted employees who work for the Brazilian Aeronautical Commission in Washington - BACW and for the Brazilian Defense and Aeronautics Department in the United States and Canada, providing wage replacement and medical benefits, in the course of employment.

4. EXPLANATION

4.1. The Workers' Compensation statutes are designed to ensure that employees who are injured or incapacitated during work are not required to cover medical expenses for injuries at work and can receive monetary amounts to cover loss of wages directly related to the work accident, as well to compensate for permanent physical disabilities.

4.2. This seeks to eliminate the need for legal litigation on the part of employees who waive potential indemnities related to pain and suffering in exchange for not being obliged to prove a crime (legal guilt) on the part of their employer.

4.3. Therefore, employers are required to purchase insurance coverage for their employees, which applies to work-related injuries, occupational illnesses (those that are characteristic of work) or work-related death.

4.4. Workers' compensation is not based on the employer's negligence, but it is your absolute responsibility for medical coverage, a percentage of lost wages or salaries, rehabilitation and recycling costs, and payment for any permanent damage (usually based on a limitation assessment).

5. COVERAGE DETAILS

5.1. Since the Policy must cover all 54 hired employees working in different regions, the District of Columbia Workers' Compensation Acts (main office of CABW and Attaché - total of 44 employees), of the State of Maryland must be considered (Warehouse - total of 8 employees) and the State of Ohio (Liaison Office - total of 2 employees).

5.2. Compensate for lost wages and cover rehabilitation and other expenses, while also allowing the employee to return to work as soon as reasonably possible or, if necessary, to other transitional work, including training with new skills.

5.3. If the employee is unable to return to work, the Policy must provide a long-term benefit.

5.4. Finally, if an employee dies due to a work-related accident, the Policy must cover a benefit to be paid to his family.

5.5. The insurance should not include coverage for casual workers - those hired for temporary employment - or for self-employed workers.

5.6. Each type of coverage to be contracted is better detailed below:

5.6.1. **Total temporary disability** - this coverage is paid to an employee who is unable to do the job while receiving medical treatment and is eligible for temporary total disability compensation;

5.6.2. **Temporary partial disability** - compensation for a worker who is receiving medical treatment but is still able to do light or part-time work. This compensation benefit is paid as long as the injured worker's medical condition is affecting his ability to work;

5.6.3. **Permanent partial disability** - paid when a worker's injury heals enough that he can return to work, but is unable to perform the same level of work he has already done;

5.6.4. **Permanent total disability** - these benefits are paid when an injured worker cannot return to any substantial type of employment after an injury. These benefits must be calculated in the same way as for a temporary total disability, but with the addition of annual increases in the cost of living;

5.6.5. **Compensation for death benefits** - are paid to the surviving spouse of a worker and / or minor children and the absence of other dependents, as defined by law, as a result of accidental death related to work;

5.6.6. **Related medical expenses** - the injured worker also has the right to have all related medical expenses paid, as long as there is a need for such medical services; and

5.6.7. **Litigation costs** - in the event that the employer is sued by the employee or his family due to a work-related incident.

5.7. Minimum coverage and liabilities to be contracted:

5.7.1. Formula for calculating monetary benefits:

$$\frac{2}{3} \times \text{Average Weekly Salary} \times \% \text{ of Disability} = \text{Weekly}$$

5.7.2. The percentage of disability can be 100% (total) or 50% (partial);

5.7.3. The weekly benefit will be a maximum of US \$ 1,081.00, as described in the 2020 Statewide Average Weekly Wages table, determined by the United States Department of Labor and Industry, provided for in Article 1, Subsection 105.1 and Subsection 105.2, of the Workers Compensation Act;

5.7.4. The amount of compensation for death benefits must be at least equal to 2/3 (two thirds) of the average weekly wage of the deceased worker. This weekly compensation must not exceed the weekly maximum described in 5.7.3, despite the number of dependents;

5.7.5. Funeral expenses will be up to \$ 5,000.00;

5.7.6. Personal injury due to accident - liability limit of US \$ 100,000.00 for each accident;

5.7.7. Bodily injury due to illness - liability limit of \$ 500,000.00 (policy limit); and

5.7.8. Personal injury due to illness - liability limit of US \$ 100,000.00 for each employee.

6. CABW OBLIGATIONS

- 6.1. Receive the object within the term and conditions established in the terms and conditions of CABW;
- 6.2. Monitor and supervise the fulfillment of the Contractor's obligations, through CABW's Administrative Division;
- 6.3. Make the payment to the Contractor in the amount corresponding to the supply of the object, within the term and form established in the terms and conditions of CABW.

7. CONTRACTOR'S OBLIGATIONS

- 7.1. The Contractor must comply with all obligations contained in CABW's terms and conditions, assuming the risks and expenses arising from the proper and perfect execution of the object as its own;
- 7.2. Communicate to CABW, within a maximum period of 24 (twenty-four) hours prior to the delivery date, the reasons that make it impossible to meet the deadline, with due proof;
- 7.3. Accept the price maintenance as fixed and non-adjustable until the delivery of the object;
- 7.4. Pay all taxes that are levied or will be levied, directly or indirectly, on the product sold; and
- 7.5. Bear the burden for any damages caused to the Public Administration, as well as to third parties, resulting from the execution of the object.

8. SUBCONTRACTING

- 8.1. Subcontracting the object will not be allowed.

9. SUBJECTIVE ALTERATIONS

- 9.1. It is permissible to merge, split or incorporate the contractor with / in another legal entity, provided that all the qualification requirements required in the original bidding are observed by the new legal entity, other clauses and conditions of the contract are maintained, without prejudice to the execution the agreed object and Management expressly agrees to proceed with the acquisition.

10. CONTROL OF IMPLEMENTATION

- 10.1. The CABW representative must promote the registration of the verified occurrences, adopting the necessary measures for the faithful fulfillment of the terms and conditions of CABW, according to the provisions of paragraphs 1 and 2 of art. 67 of Law 8.666, of 1993.

11. ADMINISTRATIVE PENALTIES

- 11.1. The total or partial non-compliance with the other obligations and responsibilities assumed by the Contractor will give rise to the application of administrative sanctions, provided for in as provided for in articles 77 and 80 of Law 8.666 , from 1993.CABW's Terms and Conditions, which may result in a fine or contract termination, among others,

12. BUDGET APPROPRIATION

12.1. Due to the difficulty in obtaining preliminary proposals, the reference price of US \$ 28,878.45 established was based on the average paid for the last 5 (five) years of insurance, as shown in the table below:

YEAR	VALUE
2015	US\$ 29,573.10
2016	US\$ 33,779.01
2017	US\$ 27,275.13
2018	US\$ 30,000.00
2019	US\$ 23,765.00
AVERAGE:	US\$ 28,878.45

12.2. Expenditure on the screen in hiring will be paid with Action 2000 feature, and in nature expense 339 039.

13. OBSERVATIONS

13.1. Due to the high turnover of CABW and Attaché employees, inclusions and exclusions are expected during the policy.

13.2. CABW and Attaché Payroll Census, updated:

Employee		Date of Birth		Salary Status	Monthly			
EMPLOYEE	EE	Date of Hire	H=Hourly S=Salaried	Salary (June 1 19 - May 31 20)	Annual	Division	Work Address	
1	male	8/3/1963	12/1/1990	Salaried	\$6,563.00	\$78,756.00	Clerical office employee	BACW Main Office - Washington DC
2	male	12/19/1951	6/1/1985	Salaried	\$6,015.00	\$72,180.00	Handworker / Driver	BACW Warehouse - Temple Hills, MD
3	male	1/16/1962	2/1/1992	Salaried	\$4,299.00	\$51,588.00	Professional driver	BACW Main Office - Washington DC
4	female	3/4/1964	7/19/1999	Salaried	\$7,093.09	\$85,117.08	Clerical office employee	BACW Main Office - Washington DC
5	male	12/21/1959	2/1/1992	Salaried	\$5,964.30	\$71,571.60	Clerical office employee	BACW Main Office - Washington DC
6	female	10/7/1983	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
7	male	5/24/1944	5/1/2010	Salaried	\$4,710.00	\$56,520.00	Clerical office employee	Braz. Liaison Office - Wright-Patterson AFB, OH

8	male	8/19/1959	7/1/1985	Salaried	\$6,563.00	\$78,756.00	Clerical office employee	BACW Main Office - Washington DC
9	female	8/14/1984	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
10	male	12/23/1954	11/1/1988	Salaried	\$7,127.19	\$85,526.28	Clerical office employee	BACW Main Office - Washington DC
11	female	5/18/1990	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
12	female	4/21/1971	7/27/2009	Salaried	\$5,051.66	\$60,619.92	Clerical office employee	BACW Main Office - Washington DC
13	male	10/31/1977	1/1/2013	Salaried	\$3,880.04	\$46,560.50	Handworker / Driver	BACW Warehouse - Temple Hills, MD
14	male	8/22/1979	4/1/2004	Salaried	\$6,655.98	\$79,871.76	Clerical office employee	BACW Main Office - Washington DC
15	female	2/19/1947	6/1/1985	Salaried	\$7,127.00	\$85,524.00	Clerical office employee	BACW Main Office - Washington DC
16	female	10/9/1969	3/1/2010	Salaried	\$4,710.00	\$56,520.00	Clerical office employee	BACW Main Office - Washington DC
17	male	1/29/1974	2/1/2005	Salaried	\$5,262.76	\$63,153.12	Clerical office employee	BACW Main Office - Washington DC
18	female	6/22/1974	6/1/2015	Salaried	\$3,822.62	\$45,871.44	Clerical office employee	BACW Main Office - Washington DC
19	male	3/24/1960	11/1/1993	Salaried	\$5,631.61	\$67,579.32	Clerical office employee	BACW Main Office - Washington DC
20	female	4/16/1989	2/17/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
21	male	2/18/1977	2/3/2020	Salaried	\$4,660.00	\$55,920.00	Clerical office employee	BACW Main Office - Washington DC
22	female	2/17/1986	9/1/2010	Salaried	\$4,660.00	\$55,920.00	Clerical office employee	BACW Main Office - Washington DC
23	female	11/27/1961	6/3/2013	Salaried	\$4,400.19	\$52,802.28	Clerical office employee	BACW Main Office - Washington DC
24	male	6/30/1944	8/1/1976	Salaried	\$6,015.00	\$72,180.00	Clerical office employee	BACW Warehouse - Temple Hills, MD
25	male	7/8/1988	3/1/2013	Salaried	\$4,781.92	\$57,383.04	Clerical office employee	BACW Main Office - Washington DC
26	male	8/20/1986	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Warehouse - Temple Hills, MD

27	female	8/26/1964	3/1/2010	Salaried	\$4,665.57	\$55,986.84	Clerical office employee	BACW Main Office - Washington DC
28	female	3/27/1962	3/9/2015	Salaried	\$3,822.62	\$45,871.44	Clerical office employee	BACW Main Office - Washington DC
29	female	3/31/1964	8/1/2006	Salaried	\$5,262.76	\$63,153.12	Clerical office employee	BACW Main Office - Washington DC
30	male	9/20/1955	2/1/1995	Salaried	\$5,868.15	\$70,417.80	Handworker	BACW Warehouse - Temple Hills, MD
31	male	3/10/1950	8/1/1995	Salaried	\$4,299.00	\$51,588.00	Handworker	BACW Warehouse - Temple Hills, MD
32	male	5/1/1950	1/1/1985	Salaried	\$6,563.00	\$78,756.00	Clerical office employee	BACW Main Office - Washington DC
33	male	8/19/1970	12/2/2013	Salaried	\$4,450.09	\$53,401.08	Clerical office employee	BACW Main Office - Washington DC
34	male	6/16/1963	10/17/2011	Salaried	\$4,299.00	\$51,588.00	Professional driver	BACW Main Office - Washington DC
35	male	8/27/1958	6/19/2000	Salaried	\$4,299.00	\$51,588.00	Professional driver	BACW Main Office - Washington DC
36	female	5/10/1993	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
37	male	6/10/1964	3/23/2009	Salaried	\$6,049.58	\$72,594.96	Clerical office employee	BACW Main Office - Washington DC
38	female	9/27/1961	8/1/2004	Salaried	\$6,015.00	\$72,180.00	Clerical office employee	BACW Main Office - Washington DC
39	female	9/21/1966	9/24/2012	Salaried	\$4,500.00	\$54,000.00	Clerical office employee	BACW Main Office - Washington DC
40	female	2/22/1986	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
41	male	5/24/1985	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC
42	female	6/7/1987	2/3/2020	Salaried	\$4,660.00	\$55,920.00	Clerical office employee	BACW Main Office - Washington DC
43	male	1/7/1960	9/1/1988	Salaried	\$6,885.11	\$82,621.32	Clerical office employee	BACW Main Office - Washington DC
44	male	3/17/1959	10/1/1990	Salaried	\$4,299.00	\$51,588.00	Professional driver	BACW Main Office - Washington DC
45	female	11/12/1975	2/3/2020	Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Main Office - Washington DC

46	female	9/8/1965	3/1/2010	Salaried	\$5,975.00	\$71,700.00	Clerical office employee	BACW Main Office - Washington DC
47	female	2/8/1971	11/6/2000	Salaried	\$6,349.16	\$76,189.92	Clerical office employee	Attache Office - Washington DC
48	female	1/25/1962	1/17/2013	Salaried	\$4,663.58	\$55,962.96	Clerical office employee	Attache Office - Washington DC
49	female	5/9/1989	5/14/2018	Salaried	\$4,660.00	\$55,920.00	Clerical office employee	Attache Office - Washington DC
50	male	9/11/1968	5/7/2018	Salaried	\$3,663.00	\$43,956.00	Professional driver	Attache Office - Washington DC
51	A SER CONTRATADO			Salaried	\$3,700.00	\$44,400.00	Handworker	BACW Warehouse - Temple Hills, MD
52	A SER CONTRATADO			Salaried	\$3,700.00	\$44,400.00	Clerical office employee	BACW Warehouse - Temple Hills, MD
53	A SER CONTRATADO			Salaried	\$4,660.00	\$55,920.00	Clerical office employee	BACW Main Office - Washington DC
54	A SER CONTRATADO			Salaried	\$3,700.00	\$44,400.00	Clerical office employee	Braz. Liaison Office - Wright-Patterson AFB, OH
						\$3,183,623.78		

14. ANNEXES

14.1. Pay table.

14.2. District of Columbia Overview of Worker's Compensation Law.

14.3. 2020 Statewide Average Weekly Wage.

Washington-DC, 09 March 2020.

DE: FI: 40
Proc: 200-785
Rub: 9
CABW

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