

## **DEFENSE MINISTRY** AERONAUTICS COMMAND BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

## BASIC PROJECT 15 / 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 Policy of Life Insurance 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. BACW - 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 Policy of Life Insurance 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 Decree n° 2,299, of August 13, 1997, which deals with the "Regiment for the Hiring of Local Assistants in the Field of Aeronautics" (Art. 16) and Law n° 11.440, of December 29, 2006, which "Institutes the Legal Regiment of Brazilian Foreign Service Servers" (Art. 57) provide that "labor and social security relations related to Local Assistants will be governed by the legislation in force in the country in which the Representation is based".

4.2. In the American legislation framework, with regards to the regulation of workers' rights, the employer is expected to provide Health Insurance and Workers' Compensation (accidents / incapacitation due to work) for their employees, leaving other benefits, such as life insurance, travel accident insurance or long-term care insurance, as a matter of agreement between employer and employee.

4.3. Historically, the BACW has offered Life Insurance to its Local Assistants, having as MOTIVATION, the ability that such benefit has to generate in terms of extra stimulus to Local Assistants, through the granting of a simple benefit that supports both employees and family members, in cases of eventual misfortune. In this sense, with this coverage being guaranteed for possible unexpected situations, it is expected to increase work productivity, having employees more motivated and focused on the execution of their duties, which are considered of great RELEVANCE for the Commission, so it can achieve its institutional objectives which are described in the Internal Regulations (RICA 21-125 / 2019) and the 2020 Annual Work Program.

4.4. This contracting service also fulfills the requirements of OPPORTUNITY, as it fits within the budgetary resources of ND 339039 received by the BACW to manage its Vegetative Life, without compromising other expenses related to ongoing services already provided, as well as CONVENIENCE, as it collaborates to increase work EFFICIENCY aiming its finalistic activities, without presenting obstacles to its implementation.

## 5. COVERAGE DETAILS

ITEM	DESCRIPTION
1	Life Insurance
2	Dismemberment Insurance
3	Short Term Disability Insurance
4	Long Term Disability Insurance

5.1 The INSURANCE to be contracted MUST cover:

#### 5.2 **LIFE INSURANCE** description:

- 5.2.1 This insurance must cover NATURAL and ACCIDENTAL DEATH.
- 5.2.2 The plan must provide financial protection for the beneficiary(ies) by paying a benefit in the event of death. The amount the beneficiary(ies) will receive(s) is based on the amount of coverage in effect just prior to the date of the death.
- 5.2.3 The coverage must be, at least:
- 5.2.3.1 US\$ 50,000.00 for employees below 65 years old;

5.2.3.2 65% of the amount described in 5.2.3.1, for employees between 65 and 69 years old - US\$ 32,500.00;

5.2.3.3 50% of the amount described in 5.2.3.1, for employees above 69 years old - US\$ 25,000.00.

## 5.3 **DISMEMBERMENT INSURANCE** description:

- 5.3.1 This insurance must cover all the cases in which the employee acquires a total or partial dismemberment, making it impossible to return to the labor activities for the rest of his/her life.
- 5.3.2 The plan must provide financial protection for the beneficiary by paying a benefit in the event of dismemberment. The amount the beneficiary will receive is based on the amount of coverage in effect just prior to the date of the disablement.

5.3.3 The coverage must be, at least:

5.3.3.1 US\$ 50,000.00 for employees below 65 years old;

5.3.3.2 65% of the amount described in 3.3.3.1, for employees between 65 and 69 years old - US\$ 32,500.00;

5.3.3.3 50% of the amount described in 3.3.3.1, for employees above 69 years old - US\$ 25,000.00.

#### 5.4 SHORT TERM DISABILITY INSURANCE description:

- 5.4.1 This insurance must cover all the cases in which the employee acquires a disease or an injury, becoming disabled to the the labor activities in a minimum period up to 30 days, after the 30 days period of medical release permited in the labor contract with BACW
- 5.4.2 The amount the beneficiary will receive is based on the amount of his salary in effect just prior to the date of the disability.
- 5.4.3 The coverage must be, at least, 60% of the weekly earnings of the employee, limited to a maximum of US\$ 1,000.00.
- 5.4.4 As a reference, the actual average salary of the BACW's employees is US\$ 4,895.22, which implies average earnings of US\$ 1,142.22 per week (US\$ 4,895.22/ 30 x 7).

#### 5.5 LONG TERM DISABILITY INSURANCE description:

- 5.5.1 This insurance must cover all the cases in which the employee acquires a disease or an injury, becoming disabled to the labor activities in a minimum period up to 90 days, after the date the Short Term Disability payments end.
- 5.5.2 The amount the beneficiary will receive is based on the amount of his/her salary in effect just prior to the date of the disability.
- 5.5.3 The coverage must be, at least, 60% of the monthly earnings of the employee, limited to a maximum of US\$ 5,000.00.
- 5.5.4 As a reference, the actual average salary of the BACW's employees is US\$
  4,895.22, which implies average earnings of US\$ 1,142.22 per week (US\$
  4,895.22/30 x 7).

#### 6 CABW OBLIGATIONS

6.1 Receive the object within the term and conditions established in the terms and conditions of BACW;

6.2 Monitor and supervise the fulfillment of the Contractor's obligations, through BACW'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 BACW.

## 7 CONTRACTOR'S OBLIGATIONS

7.1 The Contractor must comply with all obligations contained in BACW'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 BACW, 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 BACW representative must promote the registration of the verified occurrences, adopting the necessary measures for the faithful fulfillment of the terms and conditions of BACW, 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 BACW's Terms and Conditions, which may result in a fine or contract termination, among others, as provided for in articles 77 and 80 of Law 8.666, from 1993.

# **12 BUDGET APPROPRIATION**

12.1 Due to the characteristics of this type of market in the USA, in order to obtain more accurate quotations, it would be necessary to inform a lot of data preliminarily, which could offer advantages to certain companies in detriment of others, hindering competition during the event. Thus, in order to determine the reference values for this Bidding, the average of the annual values per capita of the Life Insurance Policy for Local Assistants of BACW and Attaché in the USA, from June 2015 to December, was used. 2019, according to the table below:

YEAR	AVARAGE VALUE
2015	US\$ 680,14
2016	US\$ 690.61
2017	US\$ 688,41
2018	US\$ 672,58
2019	US\$ 776.05
AVERAGE:	US\$ 701.56

12.2 Thus, for purposes of budget calculation related to hiring in vogue, the estimated total amount of US\$ 37,884.24 was considered, referring to the annual average paid in last five years, multiplied by a total of 54 Local Assistants.

12.3 Expenditure on the screen in hiring will be paid with Action 2000 feature, and in nature expense **339039**.

## 13 **OBSERVATIONS**

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

13.2 If the employees want to increase the coverages predicted in the policy, it must be offered the possibility for them to do this, in according to the terms of the Insurance Company, making the extra payments by their own.

13.3 BACW and Attaché Payroll Census, updated, will be attached on this Basic Project.

## 14 ANNEXES

- 14.1 Pay table.
- 14.2 CABW and Attaché Payroll Census

Washington-DC, April 2020.

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