

ANNEX III

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



CONTRACT XXX/CABW/20XX

**INVITATION FOR BID #201845/CABW/2020
(PAG 67102.201845/2020-03)**



CONTRACT DRAFT

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PAG Nº: **67102.201845/2020-03**
CONTRACT Nº **XXX/CABW/20XX**

CONTRACTING OF **LIFE INSURANCE, DISMEMBERMENT INSURANCE, SHORT TERM DISABILITY INSURANCE, LONG TERM DISABILITY INSURANCE** SERVICES, WHICH THE BRAZILIAN GOVERNMENT HEREBY ENTERS INTO, THROUGH THE BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON, AND THE COMPANY **XXXXXXXXXXXXXX**.

The Brazilian 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 **Col Roberto Martire Pires**, in the use of his legal attributions, as per Directive nº 50, issued by the Ministry of Aeronautics on January 29, 1953, and as per Art.61 of Brazilian Federal Law nº 8,666/93, hereinafter referred to as the CONTRACTING PARTY, and the company **XXXX**, with main offices located at **XXXX**, ZIP **XXXX**, in the Municipality **XXXX**, hereinafter referred to as the CONTRACTED PARTY, represented herein by Mr. **XXXX**, bearer of ID nº **XXXX**, and bearing in mind the content of PAG nº **67102.201845/2020-03**, and the final result of the **Invitation to Bid n. 201845/CABW/2020**, based on the principles of Law nº 8.666/93, and related legislation, hereby decide to enter into this agreement and execute this instrument, in accordance with the following terms and conditions:

1. DEFINITIONS

1.1. With the objective of clarifying the understanding of terms and definitions and simplify the draft of its text, the acronyms with its respective meanings were adopted and noted as following:

1.1.1. BACW – Brazilian Aeronautical Commission in Washington;

1.1.2. BASIC PROJECT - According to the Brazilian Law 8.666, from June 21st, 1993, it is the set of instructions, with the adequate precision level to define the task or service, or set of tasks, which will constitute the object of the Bidding Process. It is prepared based on the directive of preliminary studies, which ensure the technical feasibility and the appropriate handling of the project, and the environmental impact, while allowing the cost analysis of the tasks or services and defining the methods and timeframes for its fulfillment.

1.1.3. COMAER – Air Force Command;



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1.1.4. COMREC – Receiving Commission formed by, at least three members of the CONTRACTING PARTY, representing the Brazilian Air Force Command before the CONTRACTED PARTY. The task of this Receiving Commission is to receive the items, which consist the object of the services being contracted;

1.1.5. CONTRACTED PARTY – Private Company (companies) being contracted for the supply of the services that are object of this CONTRACT;

1.1.6. CONTRACTING PARTY – The Union, represented by Aeronautical Command, through BACW;

1.1.7. ICA – Air Force Command Directives;

1.1.8. INSURANCE POLICY – Document that puts an indemnity cover into effect serves as a legal evidence of the insurance agreement, sets out the exact terms on which the indemnity cover has been provided, and states associated information such as the specific risks and perils covered, duration of coverage, amount of premium, mode of premium payment, and deductibles, if any;

1.1.9. OM – Military Organization;

1.1.10. PAG – (*Processo Administrativo de Gestão*) Administrative Process Management;

1.1.11. SUPERVISOR – Administrative officer especially appointed by the CONTRACTING PARTY as it's representative to monitor and oversee the fulfillment of the CONTRACT, in which case, the contracting of a third party is permitted to assist and support the SUPERVISOR with information concerning the his tasks, should his technical knowledge not be sufficient to perform them. The SUPERVISOR is responsible for receiving and forwarding all communication, estimates and approvals. The SUPERVISOR is also responsible for forwarding the estimates for the approval for BACW's EXPENSE SUPERVISOR;

2. OBJECT

2.1. Contracting of LIFE INSURANCE POLICY, DISMEMBERMENT INSURANCE, SHORT TERM DISABILITY INSURANCE, LONG TERM DISABILITY INSURANCE, providing benefits for the 54 (fifty four) BACW's contracted employees in a basis of at least 40 hours per week, in accordance with terms, quantities, and other applicable requirements established in the BASIC PROJECT, Annex A, INSURANCE POLICY, Annex B, and other clauses and annexes of this CONTRACT.



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3. PERFORMANCE

3.1. The object of this CONTRACT shall be performed under the form of indirect performance by the CONTRACTED PARTY, rather than directly by BACW, in the modality of task work for LOWEST GLOBAL PRICE, in accordance with Brazilian law.

4. COST AND CONDITION FOR PAYMENT

4.1. The total amount of the CONTRACT is US\$ **XXXX (XXXX)**, as presented at the CONTRACTED PARTY as a GLOBAL PRICE on its price proposal, through the Purchase Order n. **XXXXXXXX**, being the remaining US\$ **XXXX (XXXX)**, the complement for the above mentioned Purchase Order..

4.2. Due to the renovation of BACW's Staff, it may occurs inclusions/exclusions of beneficiaries during the period of the policy, which will result in quantities changes, which will be promptly reported to the CONTRACTED PARTY, in order to make it possible to update the coverages and the resulting Invoice.

4.3. The total amount includes all direct and indirect ordinary expenses associated with the performance of the object of the CONTRACT, including all applicable taxes and/or levies, social, labor, fiscal and commercial contributions, administrative fees, and any other expenses required to fully execute the object of this CONTRACT, in accordance with the specifications set forth in the BASIC PROJECT and the **INSURANCE POLICY n. XXXXXXXXXXXXXXXXXXXX**.

4.4. An invoice shall be issued by the CONTRACTED PARTY, in accordance with the specifications of the BASIC PROJECT and **INSURANCE POLICY n. XXXXXXXXXXXXXXXXXXXX**.

4.5. Payment shall only be made after the CONTRACT Supervisor's "approval" of the invoice provided by the CONTRACTED PARTY, along with the other documents required in the Invitation to Bid, in accordance with the Provisions of the BASIC PROJECT.

4.6. The "approval" of the invoice is contingent upon verification of compliance of the Invoice submitted by the CONTRACTED PARTY with the services that were actually performed.

4.7. In the event of any mistake in submitting any of the documents required under the previous sub items or of a situation that prevents expenses from being paid, the payment shall remain pending until the CONTRACTED PARTY takes steps to remedy the situation. In this case, the deadline for payment shall take effect after it is verified that the situation has been solved, without any costs to the CONTRACTING PARTY.



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

5. TERM, EXTENSION, AND DEADLINES

5.1. Term of Validity

5.1.2. The contract shall be valid for 12 months, starting on **XX/XX/20XX**, after the CONTRACT and the POLICIES had being signed, and may be renewed, if the Administration is interested in doing so.

5.1.3. The policy **MUST** cover the initial period of 1 year (12 months), from **XX/XX/20XX**, until **XX/XX/20XX**.

5.2. Start of the service

5.2.2. The execution of the service will start on June 1st, 2015, after the CONTRACT and the INSURANCE POLICY had being signed by BACW's Chief.

5.3. Extending the Contract

5.3.2. The CONTRACTED PARTY does not have a right to unilaterally extend the Contract. The Contract may only be extended by agreement between the parties and by signing of an Amendment, which will lead to the renewal of the INSURANCE POLICY.

5.3.3. Based on the Brazilian Law 8.666/1993, which regulates the Bids, Contracts and Purchases made by the Brazilian Government Organizations, the BACW, IN ACCORDANCE with the CONTRACTED PARTY, considering prices, advantages and obligations, MAY renew the contracted policy up to a total period of 60 months.

6. BUDGETARY APPROPRIATION

6.1. The expenses arising from this contract shall be paid with resources of the item 339039 – SERVICES, received by BACW from the Plan of Action of the Aeronautical Command, based in the Brazilian General Budget for the Brazilian Fiscal Year.

7. FINANCIAL GUARANTEE

7.1. The provision of a financial guarantee is not required;



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8. OBLIGATIONS

8.1. The CONTRACTING PARTY shall be required to:

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

8.2. The CONTRACTED PARTY shall be required to:

8.2.2. Perform services with the resources necessary for full compliance with the provisions of the CONTRACT, the INSURANCE POLICY, the Invitation to Bid and its Annexes, and particularly the BASIC PROJECT.

8.2.3. The CONTRACTED PARTY shall maintain all the conditions for qualification during the bidding process throughout the validity of this CONTRACT.

9. PRICE ADJUSTMENT

9.1. Pursuant to Article 65, § 1, of Law nº 8.666/93 (Brazil), a CONTRACTED PARTY is required to accept, under the same terms and conditions, any changes involving addition or subtraction, that may be necessary, up to the limit of twenty-five percent (25%) of the original total amount of the Contract.

9.2. The set of increases and the set of decreases shall be calculated based on the original total amount of the Contract.

9.3. Increase above 25% can never be accepted, but the total amount of the CONTRACT may decrease by more than 25% (twenty five percent) given the possibility of execution being less than the amount estimated by BACW, due to the needs of the CONTRACTING PARTY. The submission of the proposal in the Bidding Process constitutes acceptance of this condition by both parties, providing that the CONTRACTED PARTY accepts that the value of the Contract may so decreased by the CONTRACTING PARTY at its discretion and that such decrease may be more than 25%.

10. TERMINATION

10.1. The causes and procedures for termination shall be in accordance with the INSURANCE POLICY.



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11. LINKAGE

11.1. This CONTRACT is hereby linked to Invitation to Bid n. **XXXXXX/CABW/20XX**, the Commercial Proposal of the CONTRACTED PARTY, ANNEX C, and the **INSURANCE POLICY Nº XXXXXX**, ANNEX B, submitted by company **XXXXX** to BACW.

12. MONITORING

12.1. The performance of the CONTRACT will be subject to follow up, control, monitoring, and assessment by the SUPERVISOR of the CONTRACTING PARTY.

12.2. Following up, controlling, supervising, and assessing, as described in this item, does not exclude the CONTRACTED PARTY's responsibility, nor does it confer upon the CONTRACTING PARTY due responsibility, including vis-à-vis third parties, for any irregularities or damages in the performance of the contracted services.

12.2.2. The CONTRACTING PARTY reserves the right to reject, in whole or in part, the services contracted that are not provided in accordance with the Invitation to Bid, its Annexes, and the Contract.

12.2.3. The determinations and requests made by the SUPERVISOR of the CONTRACTING PARTY in charge of supervising the Contract shall be immediately met by the CONTRACTED PARTY, or otherwise justified in writing.

12.2.4. Verification of adequacy in the provision of service shall be carried out based on the criteria provided for in the BASIC PROJECT.

12.3. The services that are the object of the CONTRACT shall be received by COMREC, which is responsible for the following:

12.3.2.1. Ensure that the CONTRACTED PARTY will follow the description of all the services that are the object of the BASIC PROJECT and the **INSURANCE POLICY Nº XXXXXXXX**;

12.3.2.2. Receive services or reject them according to the specifications set forth in the BASIC PROJECT and the **INSURANCE POLICY Nº XXXXXXXX**, in up to ten (10) calendar days;

12.3.2.3. Once approved, the invoices are sent to BACW's Contract Department, followed by a Statement of Receipt, within 5 (five) days. If there is any discrepancy, the invoice shall be returned to the CONTRACTED PARTY for corrections, along with a letter explaining the reasons why it was returned, and



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12.3.2.4. All proposals, questions, discrepancies and difficulties encountered during the execution of the CONTRACT, or that require an evaluation shall be presented to the CONTRACT Supervisor for approval and/or a determination must be approved by the Chief of BACW.

13. JURISDICTION AND CHOICE OF LAW

13.1. This Contract shall be construed and interpreted in accordance with the principles of Brazilian Law N° 8.666/93 and the Brazilian laws and regulations set forth in §23, and shall be governed by 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.

13.2. Any dispute or claim arising out of or relating to this Contract, with a breach thereof, shall be submitted to the District of Columbia Superior Court or the United States District Court for the District of Columbia, to the exclusive jurisdiction of which the parties hereby irrevocably submit.

14. CONTRACT EXTENSION

14.1. Based on the Brazilian Law 8.666/1993, which regulates the Bids, Contracts and Purchases made by the Brazilian Government Organizations, the BACW, IN ACCORDANCE with the CONTRACTED PARTY, considering prices, advantages and obligations, MAY renew the contracted policy up to a total period of 60 months.

15. LANGUAGE

15.1. It is hereby agreed by the parties that the language of this CONTRACT, for the purpose of documentation, correspondence, and any other interests shall be English.

16. CORRESPONDENCE AND NOTIFICATION

16.1. All correspondence, reports and notifications arising from the execution of this CONTRACT shall be made in writing and shall only be considered to be received by the CONTRACTING PARTY and the CONTRACTED PARTY, if delivered to the addresses



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indicated below by one party to the other party or to any other addresses that may be communicated by the PARTIES, throughout the term of this CONTRACT.

CONTRACTING PARTY:

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: chf.dlc.cabw@fab.mil.br

CONTRACTED PARTY:

Name of the CONTRACTED PARTY
Attn: Mr. /Mrs. Name of Legal representative
Address:
Address:
Phone:
Fax:
E-mail:

17. VIOLATIONS AND ADMINISTRATIVE SANCTIONS

17.1. Failure to complete the Contract in whole or in part or any violation of the obligations listed in this Invitation to Bid and in the Contract shall subject the CONTRACTED PARTY, notwithstanding other civil liability, while ensuring due process, to the following penalties:

- a) A warning for minor violations, which for these purposes mean those that do not result in significant losses to the object of the Contract;
- b) Compensatory fine of up to one percent (1%) of the total amount of the Contract;
- c) Suspension from participating in a bidding process and entering into an agreement with the Administration (BACW) for two (2) years;
- d) Declaration of bad standing to participate in a bidding process and enter into an agreement with the Public Administration (Brazil) for as long as the reasons resulting in the punishment remain and until when it is rehabilitated by the Administration (BACW), which shall be granted, provided that the CONTRACTED PARTY compensates the Administration (BACW) for the losses resulting from its violations, provided the suspension time described in the previous sub item has elapsed.



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17.2. Participation in this bidding process and submission of its proposal constitutes acceptance by the winning bidder (CONTRACTED PARTY) constitutes acceptance of the validity of these penalties and sanctions.

18. NUMBER OF COPIES

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

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

18.1.3. (One) original for the CONTRACTED PARTY.

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

19. ANNEXES

19.1. ANNEX A – BASIC PROJECT

19.2. ANNEX B – INSURANCE POLICY

19.3. ANNEX C – PRICE PROPOSAL

Washington D.C., **MM/DD/2020.**

For the CONTRACTING PARTY:

Roberto Martire Pires, Col.
Chief of BACW

For the CONTRACTED PARTY:

NAME

WITNESSES:

Rodrigo Otavio Correa Sampaio, Lt. Col.
Chief of Internal Control Division

NAME
CONTRACT SUPERVISOR

WITNESSES for the CONTRACTED PARTY:

NAME:ID n.....