

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



REPUBLISHING
INVITATION FOR BID 205194/CABW/2020
PAG 67102.205194/2020-12



CONTENTS

1. OBJECT.....	4
2. PARTICIPATION REQUIREMENTS	5
3. ACCREDITATION.....	6
4. ENVELOPES WITH QUALIFICATION DOCUMENTATION AND PROPOSAL	6
5. QUALIFICATIONS (ENVELOPE # 01).....	8
6. PRICE PROPOSAL (ENVELOPE # 02)	9
7. PROCEDURE FOR OPENING ENVELOPES	10
8. REVIEWING QUALIFICATION DOCUMENTS.....	12
9. REVIEWING THE PRICE PROPOSAL	12
10. HOMOLOGATION AND ADJUDICATION	14
11. FINANCIAL GUARANTEE	15
12. CONTRACT	14
13. SUBCONTRACTING	15
14. CHANGES TO THE CONTRACT.....	16
15. TERMS	15
16. PRICE ADJUSTMENT	16
17. OBLIGATIONS OF THE CONTRACTING PARTY AND THE CONTRACTED PARTY	19
18. PAYMENT.....	17
19. SUPERVISION	18
20. RECEIPT OF THE OBJECT	18
20. TERMINATION OF THE CONTRACT	19
21. BUDGETARY APPROPRIATION.....	19
22. VIOLATIONS AND ADMINISTRATIVE SANCTIONS	20
23. APPEALS	20
24. GENERAL PROVISIONS.....	21



MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON DC

REPUBLISHING
INVITATION FOR BID 205194/CABW/2020
PAG 67102.205194/2020-12

Approved on: March 22, 2021

Roberto Martire Pires Col
Commanding Officer
BACW

Legal Support: The Brazilian Federal Government, through the Brazilian Aeronautical Commission in Washington, DC (“BACW”), lets it be known to all who may be interested, that on the date, time and place indicated below, BACW will carry out a bidding process on the basis of indirect execution, of the **LOWEST UNIT PRICE** (Letter A, Sub-item VIII of Article 6 of the Brazilian Federal Law No. 8,666/93), in accordance with this Invitation for Bid and its Annexes. The bidding procedures will follow the principles of the Brazilian Federal Law n^o 8,666/93, its related legislation, and other requirements provided in this Invitation for Bid and its Annexes. Furthermore, bids submitted to BACW will be evaluated and judged according to the principles of articles 3 and 123 of the Brazilian Federal Law No. 8,666 from 06/21/1993, regarding legality, impartiality, morality, equality, transparency.

Date of Delivery and Opening of Envelopes:	03/31/2021
Time:	10:00 a.m. (Eastern Standard Time)

Address:	1701 22nd St N.W. Washington D.C 20008	Phone:	(202) 518-7348
		Fax:	(202) 483-4684
		E-mail:	chf.dlc.cabw@fab.mil.br



Accreditation:	03/31/2021
Time:	10:00 a.m. (Eastern Standard Time)

1. OBJECT

1.1. Hiring of a specialized company for **the air transportation of goods acquired to be used in the KC-390** aircrafts, according to the presented modules, to **Galeao International Airport (GIG)**, with the rights and duties governed by DPU – INCOTERMS 2020.

1.1.1. In the above mentioned INCOTERMS cargo insurance (cost definition) shall not be taken into account, as the CONTRACTING PARTY already has such a contract in place.

1.2. For logistical purposes, the object of the BASIC PROJECT shall be divided into HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, in accordance to transportation regulations, and NON-HAZMAT shipments divided by weight range in passenger aircraft or cargo aircraft, as per the following table:

Module	ORIGIN (REMOVAL) – HAZMAT AND NON-HAZMAT
1	PRATT & WHITNEY – SOUTHERN LOGISTICS CENTER 3625 Royal South Pkwy – Atlanta, GA 30349
2	DSV AIR & SEA INC. 12430 NW 25 th Street – Suite 100 – Miami, FL 33182
3	COLLINS AEROSTRUCTURES – GOODRICH AERO STRUCTURES GROUP 1300 West Fern Ave., Foley, AL 36535
4	MTU MAINTENANCE CANADA LIMITED 4300 80 th St, Delta, British Columbia V4K 3N3, Canada

HAZMAT						
Aircraft / Truck Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6
Cargo	Up to 45Kg	46Kg to 100Kg	101Kg to 300Kg	301Kg to 500Kg	501Kg to 1.000Kg	1.001Kg or more
Passenger						
Domestic (Truck)						



NON-HAZMAT						
Aircraft / Truck Type	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6
Cargo	Up to 45Kg	46Kg to 100Kg	101Kg to 300Kg	301Kg to 500Kg	501Kg to 1.000Kg	1.001Kg or more
Passenger						
Domestic (Truck)						

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

ANNEX I – BASIC PROJECT;

ANNEX II – PRICE PROPOSAL MODEL;

ANNEX III – CONTRACT DRAFT.

1.4. The services that are object of this Terms and Conditions shall be performed on the basis of indirect execution, at the Lowest Unit Price per Module, according to the **ANNEX I – BASIC PROJECT**.

2. PARTICIPATION REQUIREMENTS

2.1. Interested companies, registered with BACW or not, that are related to the object of this bidding may participate in this Bidding Process, pursuant to the provisions of the respective acts that established the bidding. The BACW will select and invite at least three (3) companies.

2.2. Companies that are under the following conditions may not participate in the bidding:

2.2.1. Bankruptcy, legal restructuring, or extrajudicial reorganization;

2.2.2. Dissolution or liquidated;

2.2.3. Suspended from participating in bidding processes or have a note of failure on the execution of a contracting in your registration in CABW in the last 3 months;

2.2.4. Barred from participating in bidding processes and entering into a Contract agreement with the Brazilian Federal Government;

2.2.5. That are declared not to be in good standing to enter into an agreement with the Brazilian Public Administration (Brazilian Federal Government);

2.2.6. That are part of a consortium, or joint venture that is separately participating in the bidding, or control or are controlled by another entity participating in the bidding process.



3. ACCREDITATION

3.0. The bidder, or its representative shall report to the Bidding Commission at the place, date and time indicated in the preamble to this Invitation for Bid for the purpose of conducting the registration of the participants in this Bidding Process, with his/her ID card, or other identification document, along with the document granting him/her powers to express opinions during the bidding procedures (such documents shall be made available outside of the Envelopes containing the Qualification Documents and Commercial proposals).

3.0.1. Failure to present any of the documents for registration or presentation of incorrect documents shall not preclude participation of the bidder. However it will prevent its representative from expressing an opinion on behalf of the bidder.

3.1. The representative of a bidder shall be any qualified individual under the terms of its incorporation papers, public power of attorney document, private and notarized power of attorney document, or equivalent document.

3.1.1. Incorporation papers or registration as a proprietorship shall describe the authority of the representative of the bidder to represent it before third parties.

3.1.2. A power of attorney document shall describe all the required powers to present proposals and carry out all acts pertaining to the bidding process, and should be accompanied with incorporation papers or proprietorship registration.

3.2. A registered representative may only represent one bidder.

4. ENVELOPES WITH QUALIFICATION DOCUMENTATION AND PROPOSAL

4.1 Each bidding participant shall present two envelopes, one containing qualification documents and the other the price proposal.

4.2 The sets of documents pertaining to qualification and price proposal shall be delivered separately, inside sealed envelopes, with an initial on the flap and identified with the name of the bidder.

4.3 Bidders are strongly urged to use the following identification label format in order to identify their bids:

ENVELOPE No. 01 – QUALIFICATION DOCUMENTS

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

INVITATION FOR BID No. 205194/CABW/2020

[NAME OF THE COMPANY]



ENVELOPE No. 02 – PRICE PROPOSAL

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

INVITATION FOR BID No. 205194/CABW/2020

[NAME OF THE COMPANY]

4.4 THE ENVELOPE No. 1 – QUALIFICATION DOCUMENTOS, and the ENVELOPE No. 2 – PRICE PROPOSAL must be included in an oversized envelope, sealed and addressed to the BIDDING COMMISSION. The name and address of the bidder must be shown in the upper left corner of the Bid Envelope, and the Invitation Number, the date and hour of bid opening must be shown in the envelope in accordance with the following model:

C/O BIDDING COMMISSION – BID No. 205194/CABW/2020
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
1701 22nd Street N.W. Washington, DC 20008

SESSION ON **03/31/2021 AT 10:00 A.M. (EST)**

[NAME OF THE COMPANY]

4.4.1 The Envelopes may be forwarded by Postal Service or other similar delivery service, with return receipt requested, and must be delivered at least at the opening of the public session at **10:00 a.m.** (Eastern Standard Time) of **03/31/2021**.

4.4.1.1 Bidders are strongly advised to inform the tracking number of their envelopes to the BIDDING COMMISSION by means of the e-mail chf.dlc.cabw@fab.mil.br prior to the date and time of the opening of the public session.

4.4.1.2 Envelopes delayed to be delivered to the BIDDING COMMISSION due to carrier issues or improper envelope identification shall not be considered.

4.4.1.3 BACW shall not be responsible for mistakes due to envelopes improper identification.

4.4.1.4 When sending envelope by Postal Service, the bidder must include the bid number on the outside envelope, so the package can be identified when arrived at BACW. (e.g. Some carriers permit the inclusion of the Bidding Number in the REFERENCE field.)

4.4.2 Envelopes may also be presented in person to the Bidding Commission in the public session.



5 QUALIFICATIONS (ENVELOPE # 01)

5.1 Companies must deliver the following documents in its QUALIFICATION ENVELOPE:

5.2 LEGAL QUALIFICATION:

5.2.1 Present evidence of the **Company's Federal Tax Identification Number/EIN;**

5.2.2 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;

5.2.3 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.

5.2.4 Present a valid **CERTIFICATE OF LIABILITY INSURANCE** of the Company (proof of insurance);

5.3 Given the complexity of the transportation mode, as well as the guarantee regarding the integrity and security of public goods, for the performance of services contemplated by MODULES 1 through 4, the **TECHNICAL QUALIFICATION** must be obtained by the CONTRACTED PARTY, including the documentation detailed below, issued by public or private entities or by Trade Associations of equal competence and equivalency:

5.4 Original statement issued by the bidder itself, affirming it possesses the following:

- a. Integrated Management System, to perform service management and control;
- b. Within its ranks - personnel responsible for quality as well as technical personnel in adequate numbers for the performance of the service;
- c. Security Management System for the Occupational Health and Safety of its employees, in accordance with U.S. labor legislation.

5.4.1 **Original statement issued by the bidder itself declaring it has not been cited in administrative or judicial proceedings**, in Brazil or in the U.S., for the past 5 (five) years, as a result of violating customs legislation and import/export trade legislation.

5.4.2 **Original statement issued by bidder itself or Copy of DDTC Registration certificate**, allowing the handling of materials referenced by USML.

5.4.3 **Original statement issued by third party (logistics operator, private company or public entity)** notifying that bidder has already performed activities which characteristics



(maritime transportation of non-dangerous goods) and quantities **(at least 92 containers)** are pertinent to and compatible with the service described.

5.4.4 Original statement issued by a third party (logistics operator, private company or public entity), advising that the bidder has already performed activities with characteristics (maritime transportation of dangerous goods) and quantities (at least 24 containers) are pertinent to and compatible with the service described.

5.4.5 **Original statement issued by the bidder itself**, advising that bidder has handled original FMS cargoes.

5.4.6 Submission of copy of registration with US CENSUS BUREAU, to operate AES.

5.5 The required certificates and/or statements shall be valid in cases where there is expiration dates.

5.6 No delivery slip or official request for documents will be accepted in lieu of the documents required in this Invitation for Bid and its Annexes.

6 PRICE PROPOSAL (ENVELOPE # 02)

6.1 The proposal, which should be typed and written in English, must be clear and have no amendments or erasures, duly dated and signed, with all pages initialed by the bidder's representative, according to the model in ANNEX II and the BASIC PROJECT, Annex I. The proposal shall include:

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

6.1.1.1 The service quoted shall include all costs arising from the performance of the services process, whether direct or indirect, including but not limited to what is described below: all inputs such as fees and/or taxes in accordance with the Basic Project, social contributions, expenses, insurance, worker's compensation, liability insurance, labor, social security, fiscal, administration fees, equipment, materials, and all other fees necessary for full compliance with the object of the CONTRACT, in accordance with the Basic Project.

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

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



6.1.1.4 Tax rates quoted by the bidder shall not exceed the limits established under applicable tax legislation.

6.1.2 The validity of the proposal shall not be less than ninety **(60) days** from the day the bidding process is officially initiated.

6.2 Under no circumstances shall the content of the submitted proposals be changed, neither with regard to price nor any other terms or conditions that imply any alteration to the original proposal. Exceptions are allowed only when these are formal changes intended to resolve material errors or mistakes, without any alteration to the substantive content or the aforementioned terms and conditions, provided they will not cause any adverse impact to the other bidders.

6.3 Errors in filling out the proposal should not warrant disqualification of the proposal when it is possible to make adjustments without the need to increase the prices offered, and provided it is demonstrated that the amount will be sufficient to cover all costs of the Contract.

6.3.1 If errors are noticed, the bidding committee will undertake diligence to ensure that the adjustments made do not set the need for increased prices offered, and/or that the prices offered cover the costs of the contract.

6.3.2 Any amendment to the proposal should be appropriately recorded in the Minutes of the open session.

6.4 The changes addressed under this item and aforementioned items shall be submitted to the Bidding Commission for review.

6.5 The Bidding Commission may perform the correction of the discriminated errors, or it can request the Bidder to submit the corrected proposal. No complaints with regard to the proposals will be admitted after they are duly recorded in the minutes.

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

6.7 Price proposals must be entered in English and prices must be presented in US dollars. Tender must be homologated at the lowest price after the qualifying phase and acceptance of the price proposal.

6.8 Price proposals must be entered in English and prices must be presented in US dollars.

6.9 The services value is estimated to be of **USD \$79,665.85** (seventy nine thousand, six hundred and sixty six US dollars, and eighty five cents).

7 PROCEDURE FOR OPENING ENVELOPES



7.1 On the date, time and place indicated in this Invitation for Bid, in a public act, before the bidders present, the Permanent Bidding Commission will receive the oversized sealed envelopes (referenced in §4.2.1.2) containing **Envelopes No. 01 and No. 02**, and will proceed to initiate the bidding process.

7.1.1 These public procedures may be attended by any person, but only the bidders and their registered representatives will be allowed to engage the Bidding Commission in conversation. This has to be done in a respectful manner, without disturbances and disruptions to the progress of the procedures.

7.2 Once the deadline for delivering the documents has passed, no other documents will be received, nor will there be accepted any addendum or clarifications regarding the documentation or price proposal submitted.

7.3 Next, after the bidders are identified, the Bidding Commission will proceed to opening Envelopes No. 01 – Qualification Documents.

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

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

7.4.1 Should the Bidding Commission deem necessary, it could adjourn the public session, so as to analyze the documents presented by the bidders, setting, at that time, a new date and time when a new meeting will take place, informing all bidders.

7.4.1.1 Considering the above hypothesis, all the qualification documents already initialed, and the Envelopes No. 2 – Price Proposals – initialed on the outside by the present bidders and the Bidding Commission members, will be kept by the Bidding Commission, until the qualification phase is concluded.

7.5 To any disqualified bidder, the Envelope No. 2 will be returned unopened after the legal period has transpired without appeal or its withdrawal, or an adverse decision on its appeal.

7.6 In the event that there are no three (3) bidders participating in the bidding meeting, the bidding committee will ask bidders present on the custody of the envelopes for the republication of the tender notice to be announced on a future date.

7.7 After the analysis of the QUALIFICATION DOCUMENTS, it will be granted the deadline of 2 (two) business days, for the bidders to present any appeals. After that, a date for new meeting for opening the PRICE PROPOSAL will be announced.

7.7.1 Exceptionally, the opening of PRICE PROPOSAL may occur at the same meeting in the following cases:



7.7.1.1 All bidders are declared **QUALIFIED** by the **BIDDING COMMISSION**, and the bidders present have waived their right to appeal

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

7.7.1.3 If the Bidding Commission consults the bidders that are not present at the meeting, and they waive their right to appeal.

7.8 In the event that none of the bidders withdraws their right to appeal the qualification phases, Envelopes No. 2 – Price Proposals – will be initialed by the bidders, and kept in a safe until a date is set for their opening.

7.9 After the qualification phase is finished and all the proposals have been opened, bidders cannot be disqualified by any reason related to the qualification process, with the exception of any supervening facts, or facts only known after the judging of the proposals.

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

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

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

8 REVIEWING QUALIFICATION DOCUMENTS

8.1 Participants will be **disqualified** if:

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

8.1.2 They include the price proposal inside Envelope No. 01.

8.2 Bidders will be notified of their qualification or otherwise through publication. In the event that bidder representative attends the public meeting in which the decision was made, it will be communicated directly to the representative and recorded in the minutes.

9 REVIEWING THE PRICE PROPOSAL

9.1 The criterion for reviewing the proposal will be the **LOWEST UNIT PRICE**. A winning bidder will be selected individually for each module based on the lowest price proposed for each specific module.

9.2 It will be **DISQUALIFIED** the proposal which:



- 9.2.1 Does not comply with Item 6 of this Invitation for Bid;
- 9.2.2 Is flawed or illegible, it is not specific or presents with irregularities and flaws that hinders its review;
- 9.2.3 It is not in compliance with any requirement set forth in this Invitation for Bid or the BASIC PROJECT;
- 9.2.4 It includes advantages that are not provided for in the Invitation For Bid, including subsidized financing, lack of any required due dates, or prices or advantages that are based on offers presented by another bidder;
- 9.2.5 It includes UNIT PRICES that exceed the estimated costs set forth in the BASIC PROJECT, Annex I;**
- 9.2.6 It presents prices that are unrealistic in the sense that their viability cannot be appropriately demonstrated through documentation that proves that the costs of input are consistent with market prices and that productivity is consistent with the performance of the object;
- 9.2.6.1 Under these circumstances, the bidder will have **two (2) business days** to demonstrate the feasibility of the prices included in its proposal, in accordance with Article 48, item II, of Law nº 8,666/93 (Brazil), under the penalty of being disqualified.
- 9.3** If there are signs of unrealistic prices in the proposal, or if it is necessary to provide additional clarification, a due diligence may be carried out by the Bidding Commission, in accordance with §3 of Article 43, Law nº 8,666/93 (Brazil).
- 9.4** Once the price proposal which does not meet the requirements of the foregoing items is disqualified, the remaining proposals will be qualified from lowest to highest.
- 9.4.1 Should there be a tie among the proposals, a draw will be conducted. The names of the bidders that are tied will be placed in a sealed box, from which they will be drawn and classified on the basis of the order in which they were drawn.
- 9.4.2 After thirty minutes, the draw will be conducted, regardless of whether the companies or their representatives are in attendance.
- 9.5** Bidders will be notified of the results of bidding through publication. In the event that bidder representative attends the public meeting in which the decision was made, it will be communicated directly to the representative and recorded in the meeting minutes.



9.5.1 In the event that the bidder, or its representative, is present at the public tender meeting, in which the decision was made, this communication will be directly to the bidder and expressed in minutes of meeting.

10 HOMOLOGATION AND ADJUDICATION

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

10.2 The adjudication will be made on a MODULE basis, to the **LOWEST UNIT PRICE** offered by a bidder to the given MODULE.

11 CONTRACT

11.1 After the bidding is approved, the winning bidder (the “CONTRACTED PARTY”) shall have **05 (five) business days**, from the date it is notified, to sign the Contract attached hereto as ANNEX III, under the penalty of losing the right to be hired as well as being subject to the sanctions set forth in this Invitation for Bid and any other penalties or damages available under applicable law.

11.1.1 The term provided for in the previous sub-item may be renewed for an additional five days if requested by the CONTRACTED PARTY with good reason and accepted by the Administration (BACW) in its sole discretion.

11.2 The Administration (BACW) shall have the option to contact the remaining participants if the winning bidder does not sign the Contract under the terms and conditions established, in accordance with the order of classification. It may do so under the same terms and conditions proposed by the winning bidder, including with regard to updated prices, pursuant to the Invitation for Bid. It may also revoke the bidding process, notwithstanding the penalties provided for in this Invitation for Bid.

11.3 By signing the Contract, the CONTRACTED PARTY declares its express agreement with the adequacy of the BASIC PROJECT.

11.4 The CONTRACTED PARTY shall maintain all the conditions for qualification required in the bidding process, throughout the performance of the Contract, in accordance with the obligations assumed.

11.5 The CONTRACTED PARTY shall be responsible for any and all expenses arising from the Contract.



12 SUBCONTRACTING

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

12.1.1 Sub-contracting may be authorized by the BACW's Chief, through the Contract Supervisor/Monitor.

12.1.2 Sub-contractor shall prove having the technical qualification to perform the services, even though, the responsibility for the quality of such services lies on the CONTRACTED PARTY.

12.1.3 In the event of sub-contracting, the CONTRACTED PARTY shall still bear full responsibility for full performance of the Contract, being responsible for supervising and coordinating the activities of the sub-contractor, as well as responding before the CONTRACTING PARTY for strict compliance with the Contract agreements related to the object that was subcontracted.

13 TERMS

13.1 Term of Validity

13.1.1 The validity of the Contract will start after execution by BACW's Chief on Contract and shall be in effect for a period of 12 (twelve) months, starting from the date the Contract is signed, including execution, acceptance and terms established for payment.

13.1.2 The validity may be renewed by an additional 12 (twelve) months for a maximum overall duration of 60 (sixty) months upon the execution of a written amendment by both parties.

13.2 Start of the service

13.2.1 The execution of the service will start only after CONTRACTED PARTY receives a Service Order signed by BACW's Chief.

13.3 Extending the Contract

13.3.1 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 the signing of an Amendment.

14 FINANCIAL GUARANTEE

14.1 The provision of a Contract guarantee is not required for this process.



15 CHANGES TO THE CONTRACT

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

15.1.1 Deductions in the amount that exceeds the limit of twenty-five percent (25%) of the Contract shall only be done when both parties are in agreement.

15.1.2 The set of increases and the set of decreases shall be calculated based on the original shipments of, or services to be provided under, the Contract, on a case by case basis, without any sort of compensation up to the limits established above.

16 PRICE ADJUSTMENT

16.1 All price installments may be adjusted, through a formal proposal from one of the Parties mentioned in the CONTRACT and only after 12 months have expired from the deadline for the submission of proposals referenced in this INVITATION FOR BID or from the last adjustment; however, adjustments must be preceded by indicators/indices supporting the new, updated prices, and a cost table must also be submitted at this time.

16.2 In all adjustments following the first one, the annual term shall be counted from the last completed adjustment.

16.3 Adjustments shall be preceded by a request from the CONTRACTED PARTY, supported by an analytical demonstration for cost alteration, via the submission of a cost table and price formation, as well as the new agreement or collective stipulation on which the adjustment is based.

16.4 It is forbidden to include, at the time of adjustment, benefits which were not contemplated by the initial proposal, except when they become mandatory through the application of a legal document, normative sentence, collective agreement or collective stipulation.

16.5 At the time in which an adjustment is requested, it shall only be granted through negotiation between the parties, considering:

16.6 Normal Market prices and those applied in other contracts executed by the Administration;

16.7 The peculiarities of the contract in effect;

16.8 New agreement or collective stipulation of professional categories;



- 16.9** New table showing cost variation;
- 16.10** Sector indicators, manufacturer tables, official reference amounts, public tables or other equivalent amounts; and
- 16.11** The CONTRACTED PARTY'S budget availability.
- 16.12** The decision regarding the request for adjustment must be reached within a deadline of 60 (sixty) days, starting from the date on which proof of cost variation has been delivered.
- 16.13** In case of adjustment, an amendment to the existing contract shall be executed.
- 16.14** The term referenced in the above paragraph shall be suspended until the CONTRACTED PARTY fulfills its tasks or delivers the documentation requested by the CONTRACTING PARTY to prove cost variation.
- 16.15** The CONTRACTING PARTY may submit requests for clarification to verify cost variation claimed by the CONTRACTED PARTY.
- 16.16** The submission of an adjustment proposal by the CONTRACTED PARTY does not obligate acceptance by the CONTRACTING PARTY, which may refuse the proposal.
- 16.17** Should the CONTRACTED PARTY not present duly justified indices, the maximum adjustment amount shall be, or equate to the variation in the CPI (Customer Price Index, issued by the Bureau of Labor Statistics – BLS – issued by the U.S. Bureau of Labor).

17 PAYMENT

- 17.1** The deadline for payment shall be within **thirty (30) calendar days** from the date the term of receipt is issued by the RECEIVING COMMISSION
- 17.2** An Invoice shall be issued by the CONTRACTED PARTY in accordance with the following procedures:
- 17.2.1** Payment shall only be made, after the appropriate official's "approval" of the Invoice provided by the CONTRACTED PARTY.
 - 17.2.2** The "approval" of the Invoice is contingent upon verification of compliance of the Invoice submitted by the CONTRACTED PARTY with the services/services that were actually performed; and
 - 17.2.3** In the event of any mistake in submitting any of the documents required under the previous sub-items or of a situation that prevents fees from being paid, the payment shall remain pending until the CONTRACTED PARTY takes steps to remedy the situation. In this case, the deadline for



payment shall take effect after it is verified that the situation has been solved, without any costs to the CONTRACTING PARTY.

17.3 Payment shall be made through a bank order of credit, deposit in a bank account, at the branch or bank agency indicated by the CONTRACTED PARTY, or through any other means provided for under the legislation in effect.

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

17.5 The CONTRACTING PARTY shall not be responsible for any expenses that may be made by the CONTRACTED PARTY that have not been agreed to in the Contract.

18 SUPERVISION

18.1 The performance of the contracted object will be subject to follow up, monitoring and assessment by the Supervisor/Monitor of the CONTRACTING PARTY, as follows:

18.2 Following up, monitoring and assessing, as described in this item, does not alter the CONTRACTED PARTY's responsibility, nor does it confer upon the CONTRACTING PARTY any responsibility, including vis-à-vis third parties, for any irregularities or damages in the performance of the contracted object.

18.3 The CONTRACTING PARTY reserves the right to reject, in whole or in part, any object contracted that is not provided in accordance with this Invitation for Bid, its Annexes, and the Contract.

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

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

19 RECEIPT OF THE OBJECT

19.1 The equipment that are the object of the BASIC PROJECT shall be received by the Receiving Commission;

19.2 It is the responsibility of the Receiving Commission to:

- a) Ensure that the CONTRACTED PARTY will follow the description of all the material that are the object of the BASIC PROJECT;
- b) Receive products or reject them according to the specifications set forth in the



- BASIC PROJECT, in up to ten (10) calendar days;
- c) 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
 - d) 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.

20. UNPREDICTABLE AND FORCE MAJEURE EVENTS

20.1. Unpredictable or force majeure events must be communicated in writing to the CABW Chief, through the ENGINEER, so that he can decide the appropriate course of action, provided it has been proven that such events affect the services / materials provided in accordance with the object of this CONTRACT.

20.2. For the purposes of this CONTRACT, the events will be considered unpredictable or force majeure, if they fit the legal description provided for in the sole paragraph of art. 393 of the Brazilian Civil Code, or pursuant to item II, paragraph 1, art. 57 of the Brazilian Federal Law No. 8,666 / 93.

21. OBLIGATIONS OF THE CONTRACTING PARTY AND THE CONTRACTED PARTY

19.3 The obligations of the CONTRACTING PARTY and CONTRACTED PARTY are established in the BASIC PROJECT, and other obligations provided for in this Invitation for Bid.

22. TERMINATION OF THE CONTRACT

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

23. BUDGETARY APPROPRIATION

23.1. Budget resources shall be drawn from Program 0621 (Air Force Preparation and Employment), Action 2048 (Aeronautical Material Maintenance and Supply), Nature of Expenditure 33.90.39, or from any other Programs and Actions which may provide such



support, given that the transportation and customs clearance herein serve all systems of the Brazilian Air Force.

24. VIOLATIONS AND ADMINISTRATIVE SANCTIONS

24.1. Failure to complete the Contract in whole or in part or any violation of the obligations listed in this Invitation for 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.

24.2. The refusal of the CONTRACTED PARTY to sign the Contract within the deadline established by the Administration (BACW), after it is duly notified and called to do so, shall subject the CONTRACTED PARTY to the penalties established above in addition to compensating the CABW for any losses suffered.

24.3. The penalties provided for will be applied through an administrative proceeding that ensures due process and ample defense, while following the procedure provided for under Law nº 8,666/93 (Brazil), and also Law nº 9,784/99 (Brazil).

24.4. While applying the penalties, BACW shall take into account the seriousness of the violation, the educational character of the penalty as well as the damage that was caused to the administration (BACW), following the principle of proportionality.

24.5. 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.

25. APPEALS



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

25.1.1. Appeal to a higher authority within **two (2) business days**, from the date of notification or registration of the minutes of the meeting/session, in the cases of:

25.1.1.1. Qualification of the bidder or lack thereof;

25.1.1.2. Judgment of the proposals;

25.1.1.3. Annulment or revocation of the bidding process;

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

25.1.1.5. Termination of the Contract, unilaterally by the Administration (BACW) for cases provided for under item I, Article 79 of the Law nº 8,666/93;

25.1.1.6. Imposition of a warning, temporary suspension or fine.

25.2. Once a request for appeal has been filed, it will be communicated to the other bidders, which may present counter-arguments within **two (2) business days**.

25.3. The appeal shall be addressed to a higher authority, through the Bidding Commission, which may reconsider its decision within **five (5) business days**, or take it to the higher authority, all of which will be duly notified.

25.3.1. A decision shall be made within **five (5) business day**, of receipt of the request for appeal.

26. GENERAL PROVISIONS

26.1. Any doubts arising from the provisions of this Invitation for Bid may be the subject of consultation, in writing, with the Bidding Commission in charge of this bidding process, up to 48 hours before the delivery of the proposals.

26.1.1. 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. Those that have not received the information within the established time shall take steps to ensure that they learn about the content of the document.

26.2. The interested party shall carefully review the Invitation for Bid and its Annexes, as well as all the instructions, terms and conditions, and technical specifications presented, and become familiar with all circumstances or details that may affect the assessment of costs and the terms involved in performing the object of this bidding process.



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

26.4. Participation in this bidding process implies full acceptance of the terms and conditions established in this Invitation for Bid and its Annexes, as well as with the requirement to comply with the provisions herein.

26.5. Any changes or amendments to this Invitation for Bid will require its dissemination in the same publication that the original invitations was posted, with the initial term being postponed, except when the changes do not in any way affect the formulation of proposals.

26.6. If it is not a business day or in any event that prevent the bidding process from being held on the scheduled date, the session will be automatically rescheduled to the following business day at the same time and place previously indicated, unless communicated otherwise by the Bidding Commission.

26.7. In any stage during the bidding process, the Bidding Commission or the Higher Authority may promote diligence intended to clarify or complement the process, provided it does not involve the later inclusion of any document or information that should be made available at the public bidding session.

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

26.9. The appropriate authority that will approve the bidding process may decide to revoke it for reasons of public interest or due to a supervening fact that is duly demonstrated to be pertinent and sufficient to justify the cancellation. The authority may also declare it void through an official letter or a request, in writing and duly supported, from a third party.

26.10. The terms established in this Invitation for Bid and its Annexes do not include the first day, but include the last day. Deadlines shall fall on regular business days for the Administration (BACW).

26.11. Failure to comply with non-essential requirements may not imply disqualification of the bidding process if it is in the interest of the public administration and in accordance with equal rights.

26.12. The rules which govern the bidding process shall always be interpreted so as to increase competition among the bidders, provided that it does not jeopardize the interest of the Administration (Brazilian Public Administration), or the principles of equal rights, the purpose and security of the contracting.



26.13. In the event of discrepancies between the provisions of this Invitation for Bid and the other documents of the bidding process, the Invitation for Bid will prevail, except that the Contract executed by the winning bidder (CONTRACTED PARTY) shall govern its relationship with the CABW.

26.14. The Invitation for Bid and its Annexes may be read and/or obtained at BACW at the address indicated below, during business days, from **8:30** a.m. to 11:30 a.m., and 1:30 p.m. to 3:00 p.m.

26.15. The records of this administrative proceeding will remain available to all interested parties at the agency located at the address below, during business days from **8:30** a.m. to 11:30 a.m., and 1:30 p.m. to **3:00** p.m.(EST), after previously scheduled time:

1701 22nd St N.W.

Washington, D.C. 20008

Ph.: (202) 518 7348

Fax: (202) 483 4684

E-mail: chf.dlc.cabw@fab.mil.br

26.16. The United States District Court in Washington, D.C., shall be the court in which any action or proceedings that might arise in connection with the bidding process must be filed and adjudicated. This Invitation for Bid and the bidding process shall be construed and interpreted in accordance with the principles of the Brazilian Federal 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, USA.

26.17. It is hereby agreed by the parties that the language of this Invitation for Bid, for the purpose of documentation, correspondence, and any other interests shall be **ENGLISH**.

Washington, DC, **03/22/2021**.

Leandro Fernandes da Silva Roman, Lt Col
President of BACW's Bidding Commission

Thiago Dellazari Melo, Lt. Col
Head of BACW's Bidding and Contracts Division