



**MINISTRY OF DEFENSE  
AERONAUTICAL COMMAND  
AERONAUTICAL LOGISTICS CENTER**

**BASIC PROJECT 025/MAT/2020**

**Legal Basis:** Prepared on the basis of the premises contained in Article 123 of Law nº 8.666/1993.

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## 1. PREAMBLE

1.1. Transportation is one of the main logistical functions in the supply chain and its importance is connected to timelines and choice of location. Since the beginning, transportation of goods has been effected to make products available where potential demand lies, within an adequate timeframe for the end user's needs.

1.2. Even with technological improvements, which allow the exchange of information in real time, transportation continues to be indispensable in the fulfillment of the logistic goal, which is to have the right product, in the right amount, at the right time, in the right location, at the lowest possible cost (principles of cost-effectiveness and expediency).

1.3. As defined by ROCA 21-5 / 2020, the goal of the Brazilian Aeronautical Commissions (BACW) abroad, is to both perform managerial activities of purchasing material and services abroad for the military, as well as those related to cargo traffic, and to conduct market research in order to ensure the best price, quality and delivery time.

1.4. In order to maintain the KC-390 aircraft fleet, newly incorporated to COMAER, in operational status, the need has arisen to hire a company with the ability to provide transportation services for hazardous (HAZMAT) and non-hazardous (NON HAZMAT) materials, having the final destination the Galeão International Airport (GIG). It should be noted that the transportation of this type of material may be subject to special requirements and that its transportation exclusively by the Brazilian Air Force aircrafts would be very costly to the Administration.

1.5. Therefore, taking into consideration the principle of cost-effectiveness and also in order to maintain the availability of the fleet, it is necessary to hire a company able to provide adequate transportation of hazardous and non-hazardous material from the USA/Canada to Brazil.

1.6. The goal of this BASIC PROJECT is to present the necessary and precise elements in order to hire services of air transportation, according to the presented modules, to the Galeão International Airport. The initial period of the contract is of 12 (twelve) month term, starting on the date of execution of the contract, which can be extended up to 60 months. Nonetheless, this estimate does not imply any right for the CONTRACTED PARTY to carry out the entirety of the estimated quantity, if within 12 months, the CONTRACTING PARTY requests less than the estimated value. It will only be requested services that are truly necessary for the CONTRACTING PARTY's Logistic Support and the payment will be made to the CONTRACTOR after the completion of each service.

## 2. DEFINITIONS

2.1. In order to facilitate the understanding of terminologies and to simplify text composition, the following abbreviations and expressions were adopted, followed by their definitions hereafter:

2.1.1. AES or AUTOMATED EXPORT SYSTEM - System used by US exporters to electronically file their exports, known as Electronic Export Information (EEI).

2.1.2. ANSI or AMERICAN NATIONAL STANDARDS INSTITUTE - American Organization responsible for standardization.

2.1.3. AWB or AIR WAYBILL - Knowledge of the cargo which constitutes the airway bill of lading. Document issued by the transportation agent or by the transportation company itself. It indicates the owner of the exported cargo as well as its consignee.



- 2.1.4.** BAC - Brazilian Aeronautical Commission.
- 2.1.5.** COMREC - Material and Services Receiving Commission
- 2.1.6.** CONTRACTED PARTY - Company which won the bid after the homologation and adjudication of the bid object.
- 2.1.7.** CONTRACTING PARTY - Air Force Command, represented by the Brazilian Aeronautical Commission in Washington (CABW).
- 2.1.8.** CTLA - Aeronautical Center for Transportation Logistics, located at Estrada Alfredo Rocha, 495 - Ilha do Governador| Rio de Janeiro - RJ | CEP: 21941-580 - Brasil.
- 2.1.9.** DPU - *Delivered at Place Unloaded* - A type of transport related to the INCOTERM 2020. In this service, the place of delivery must be the Galeão International Airport (GIG) - Address: Vinte de Janeiro Ave - Ilha do Governador, Rio de Janeiro - RJ - 21941-900.
- 2.1.10.** DOT or DEPARTMENT OF TRANSPORTATION - American Government agency responsible for the transportation system.
- 2.1.11.** EEI or Electronic Export Information - It is the AES information record in AES concerning the materials that will be exported. In other words, it is the record of the exported material declaration.
- 2.1.12.** FIXED DOCUMENTATION/PACKING RATE (T-EP/DC) - CONTRACTED PARTY'S Fixed Fee for services concerning the correction of packing and/or documentation and/or hazmat documentation.
- 2.1.13.** HAZMAT or Hazardous Shipment - Materials requiring specific control regulation, such as biological items, chemicals, radioactive or agents, which can potentially cause damage to living beings and the ecosystem, by itself or through interaction with other factors.
- 2.1.14.** IATA DANGEROUS GOOD DECLARATION or IATA DGD - Document issued by the supplier ensuring that the hazardous material (HAZMAT) was packed, identified and declared according to the international transport regulations.
- 2.1.15.** ICA - Air Force Command Directive.
- 2.1.16.** ICC or INTERNATIONAL CHAMBER OF COMMERCE - The international chamber of commerce has the role of promoting international trade.
- 2.1.17.** INCOTERM 2020 - International Commercial Terms.
- 2.1.18.** INVOICE - Commercial document that formalizes an act of purchase and sale abroad.
- 2.1.19.** MO - Military organization.
- 2.1.20.** PACKING / DOCUMENTATION (EP/DC) - Adjustment of HAZMAT packing and documentation costs.
- 2.1.21.** PROCESSING - Administrative fee paid by the CONTRACTING PARTY, following the profit and cost of the CONTRACTED PARTY.
- 2.1.22.** STORAGE - Organized safekeeping of adequately preserved goods.
- 2.1.23.** UN CODE - Dangerous goods are assigned to UN numbers and proper shipping names according to their hazard classification and composition. (ST/SG/AC.10/1/Rev.17 (Vol.I))



### 3. OBJECT

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

**3.1.1.** 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.

**3.2.** For logistical purposes, the object of this 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 E NON-HAZMAT
1	PRATT & WHITNEY - SOUTHERN LOGISTICS CENTER 3625 Royal South Pkwy - Atlanta, Georgia 30349
2	DSV AIR & SEA INC. 12430 NW 25th Street - Suite 100 - Miami, FL 33182
3	COLLINS AEROSTRUCTURES GOODRICH AEROSTRUCTURES GROUP - 1300 West Fern Ave Foley, AL 36535
4	MTU MAINTENANCE CANADA LIMITED 4300 80th Street - 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 44 Kg	45 Kg to 99 Kg	100 Kg to 299 Kg	300 Kg to 499 Kg	500 Kg to 999 Kg	1.000 Kg 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 44 Kg	45 Kg to 99 Kg	100 Kg to 299 Kg	300 Kg to 499 Kg	500 Kg to 999 Kg	1.000 Kg or more
Passenger						



Domestic (Truck)					
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#### 4. JUSTIFICATION

**4.1.** It becomes necessary to contract a specialized company for the provision of commercial air transportation of material classified as HAZMAT and NON-HAZMAT, as logistical support for the transportation of materials purchased to service the KC-390 transport aircraft, recently incorporated into the COMAER collection, given that the Brazilian Aeronautical Commission in Washington is responsible for the purchase and distribution of all material, equipment, publications and technical documentation acquired in the United States, for all of the Brazilian Air Force's system. Furthermore, in order to maintain the Air fleet operational, and to avoid any interruption in service, it has become necessary to contract a company with the ability to provide transportation services for dangerous goods classified as HAZMAT and NON-HAZMAT to the Galeão International Airport (GIG). It should be noted that the transportation of this type of goods may be subject to special transportation conditions, and must be performed by companies specialized in this type of service. Should this service be performed by FAB alone, it would be very costly and expensive, based on the quantity and volume to be transported, with the addition of the frequency between shipment.

**4.2.** Therefore, considering the principle of cost-effectiveness, specificity in the management of HAZMAT and NON-HAZMAT material and maintenance of the aircraft KC-390 fleet availability, it becomes necessary to contract a company capable of providing adequate transportation services to the Galeão International Airport (GIG).

**4.3.** Under these circumstances, it is deemed justifiable to outsource such services in order to supply the necessary means for the delivery of the goods contemplated by this BASIC PROJECT. The outsourcing of services, therefore, becomes a necessity, as an essential means to enable the fulfillment of the annual plan of air activities established for the fleet by the Aeronautical Chief of Staff (EMAER).

#### 5. HISTORIAL DEMAND

**5.1.** The historical demand presented does not imply any right for the CONTRACTED PARTY to performed the entirety of the estimated quantity, should the CONTRACTING PARTY request, within a period of 12 months, extendable up to 60 months, a smaller quantity than the estimated value.

REPAIR PLACE	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	Weight (kg)	Vol (m <sup>3</sup> )	Weight (kg)	Vol (m <sup>3</sup> )	Weight (kg)	Vol (m <sup>3</sup> )	Weight (kg)	Vol (m <sup>3</sup> )	Weight (kg)	Vol (m <sup>3</sup> )
Pratt & Whitney Southern Logistics Center 3625 Royal South Pkwy Atlanta, Georgia, 30349	5,442	24,820	183	0,835	183	0,835	183	0,835	183	0,835
DSV Air & Sea Inc. 12430 NW 25th Street Suite 100 Miami, FL 33182	5,689	25,950	206	0,939	206	0,939	206	0,939	206	0,939



Collins Aerostructures GOODRICH AEROSTRUCTURES GROUP 1300 West Fern Ave Foley AL 36535 US	0	0,000	2.500	11,405	2.500	11,405	2.500	11,405	2.500	11,405
MTU Maintenance Canada Limited 4300 80th Street Delta, British Columbia V4K 3N3, CANADA	0	0,000	0	0,000	4.767	18,595	0	0,000	0	0,000

## 6. SERVICE SPECIFICATION

**6.1.** The products involved in the services contemplated by this BASIC PROJECT refer to materials classified as HAZMAT and NON-HAZMAT, as per the definition provided in Section IV of IATA (INTERNATIONAL AIR TRANSPORTATION ASSOCIATION), related to the components and equipment applicable to aircraft KC-390, newly incorporated into the Brazilian Air Force.

**6.2.** All goods contemplated by this BASIC PROJECT will be transported from the United States / Canada, directly to Brazil. In addition, flight connections are permitted in these two countries.

**6.3.** Due to the possibility of transporting the cargo of military materials purchased from the American Government (FMS), BIDDERS must present, in the qualification phase of the bidding process, a document that proves that the company has authorization from the US government to transport this material.

**6.4.** Requests to perform service shall be issued by the CONTRACTING PARTY, by email, so as to document the need.

**6.5.** Due to the nature of its application and specificity of the materials, the cargo must be delivered at the DESTINATION within a maximum timeframe of 10 (ten) calendar days for HAZMAT and NON-HAZMAT transported in cargo aircrafts, and 6(six) calendar days for HAZMAT and NON-HAZMAT transported in passenger aircraft, starting on the date of the email notification of the CONTRACTED PARTY by the CONTRACTING PARTY.

**6.6.** The contracted services are air transportation services. Therefore, the CONTRACTED PARTY is responsible for both removing the goods from the facilities stated in the Modules according to the ORIGIN, and for the properly packing of the materials for air transport.

**6.7.** The CONTRACTED PARTY shall inform the CONTRACTING PARTY the name of the transport company and the name of the person responsible for collecting the cargo at ORIGIN. The CONTRACTED PARTY shall inform CABW of the AWB, the Estimated Time of Departure (ETD), the Estimated Time of Arrival (ETA), the flight number and the name of the company that will carry out the air transport, and request authorization for the material to be shipped. to the International Airport of Galeão (GIG).

**6.8.** The costs associated with cargo insurance from the ORIGIN UP TO DESTINATION are the CONTRACTING PARTY's responsibility and should not be included in the price proposal submitted at the bid.

**6.9.** Cargo shall be considered to have been delivered in good condition after receipt by CTLA / END USER without damage or claims. The CONTRACTED PARTY is responsible for ensuring that the original AWB follow the cargo material, so as to enable customs clearance.

**6.10.** Any claims, by the CONTRACTED PARTY, for damages, losses and delays, shall be submitted to the CONTRACTING PARTY within 10 (ten) calendar days of cargo receipt. This claim must be sent by CTLA/END USER to the CONTRACTING PARTY, and subsequently forwarded to the CONTRACTED PARTY.



**6.11.** The CONTRACTING PARTY will be responsible for the documentation concerning EEI and AES.

**6.12.** During the performance of the services, the weight measurement unit for this BASIC PROJECT and, therefore, of the CONTRACT, shall be kilograms (kg). The following equivalency will be used 1 lb = 0.4536 kg.

**6.13. Specifics for HAZMAT shipment**

**6.13.1.** After receiving a service request for HAZMAT, the CONTRACTED PARTY must analyze and verify all HAZMAT documentation for the material to be shipped, within a maximum timeframe of 24 (twenty-four) hours.

**6.13.2.** It should be noted that, if an airline company refuses to transport any material due to its HAZMAT classification, the CONTRACTED PARTY shall evidence all the effort to provide another airline to perform the service.

**6.13.3.** The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty four) hours.

**6.13.4.** Should the CONTRACTED PARTY prove the existence of faults or irregularities in the documents and/or packing provided, it must notify the CONTRACTING PARTY and request the necessary corrections. In this case, the maximum period for delivery is suspended until all pending issues are resolved by the CONTRACTING PARTY.

**6.13.5.** The CONTRACTED PARTY shall indicate, by means of notification, the need for proper packaging or documentation of the HAZMAT material to the CONTRACTING PARTY.

**6.13.5.1.** In the above mentioned cases, the CONTRACTED PARTY must request the approval of the PACKAGING/DOCUMENTATION (EP / DC) costs, which must be proven by submitting an INVOICE for the services provided by third parties.

**6.13.5.2.** PACKAGING/DOCUMENTATION (EP / DC) costs that have not been approved by the CONTRACTING PARTY shall not be paid.

**6.13.5.3.** The CONTRACTED PARTY must issue an INVOICE, further to the cargo's arrival at DESTINATION, detailing within it packing cost, to which it may also add FIXED PACKAGING/DOCUMENTATION FEES as submitted in price proposal.

**6.13.5.3.1.** It should be noted that the FIXED PACKAGING/DOCUMENTATION are costs of the bidder to handle the repackaging and/or reissuing the documentation. In addition, the CONTRACTING PARTY shall reimburse the costs paid by the CONTRACTED PARTY to third parties, after the CONTRACTED PARTY proves the incurred paid costs.

**6.13.6.** For HAZMAT material, there might be the incidence of handling costs per UN CODE. Those costs must be submitted in the Price Proposal.

**6.13.7.** Cargo transportation until loading onto aircraft shall be carried out in accordance with US DOT legislation. The driver must be credentialed and qualified to perform the transportation of HAZMAT goods, and the vehicle must have all signage and labeling required for the material being transported. Non-compliance with the above measures shall be entirely under the CONTRACTED PARTY'S responsibility.



**6.14.** The CONTRACTED PARTY must charge a fixed amount per transportation unit in cargo or passenger aircraft, as submitted in the price proposal provided during the bidding process.

**6.14.1.** The CONTRACTED PARTY must attach a copy of the AWB to the INVOICE proving the amount charged on any surcharges.

**6.14.2.** The CONTRACTED PARTY must attach to the INVOICE proof of payment to third parties for PACKAGING / DOCUMENTATION services.

**6.15.** The CONTRACTING PARTY will only pay the amounts related with the services provided.

**6.16. Specifics for NON-HAZMAT Shipment**

**6.16.1.** After receiving the service request for NON-HAZMAT, the CONTRACTED PARTY must analyze and verify all HAZMAT documentation for the material to be shipped, within a maximum timeframe of 24 (twenty-four) hours.

**6.16.2.** The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the goods at the ORIGIN, within 24 (twenty four) hours.

**6.16.3.** Should the CONTRACTED PARTY prove the existence of faults or irregularities in the documents and/or packing provided, it must notify the CONTRACTING PARTY and request the necessary corrections. In this case, the maximum period for delivery is suspended until all pending issues are resolved by the CONTRACTING PARTY.

**6.16.3.1.** For NON-HAZMAT shipments, the CONTRACTING PARTY is responsible for solving any flaws or irregularities in the documents and/or packaging provided.

**6.17.** The CONTRACTED PARTY must charge a fixed amount per transportation unit in passenger aircraft, as submitted in the price proposal provided during the bidding process.

**6.17.1.** A The CONTRACTED PARTY must attach a copy of the AWB to the INVOICE, proving the amount charged by the airline for any surcharges.

**6.18.** The CONTRACTING PARTY shall only pay the amounts associated with the provided services.

## **7. ENFORCEMENT REGIME**

**7.1.** The services resulting from this BASIC PROJECT must be contracted globally based on the Lowest Unit Price per bidder criterion.

**7.2.** The future CONTRACT may undergo quantitative increases or decreases in the estimated demands. However, such increases may not exceed 25% of initial contract demand, in accordance with the Brazilian Law n° 8.666/1993.

**7.3.** The amounts to be contracted are estimates, and consequently do not imply any obligation by the CONTRACTING PARTY.

## **8. PRICE PROPOSAL**

**8.1.** The PRICE PROPOSAL must be typed in English and the price stated in US dollars.

**8.2.** For HAZMAT shipments, **UN Code cost for cargo aircraft and UN Code cost for passenger** aircraft shall be submitted by the bidder in the bidding process, as per price proposal mode.





**8.3.** For HAZMAT shipments, FIXED PACKAGING/DOCUMENTATION FEES shall be submitted by the bidder in the bidding process, as per price proposal mode.

**8.4.** The winning bid shall be the bid with the **LOWEST UNIT PRICE**.

**8.4.1.** The UNIT PRICE must be obtained by adding the COST PER RANGE (CPR) for HAZMAT and NON-HAZMAT range, multiplied by its referred WEIGHT FACTOR (WF), resulting in the WEIGHTED UNIT PRICE PER RANGE (WUPR).

**8.4.2.** The WUPR arithmetic average plus the cost per UN CODE for cargo aircraft plus the cost per UN CODE for passenger aircraft and the cost of FIXED PACKING/DOCUMENTATION FEE shall be the UNIT PRICE of the bidder, as per the mathematical demonstration below:

**8.4.3. COST PER RANGE (CPR).**

$$8.4.3.1. CPR_n = RCH_n + RPH_n + RP_n + RC_n$$

RANGE		Range 1	Range 2	Range 3	Range 4	Range 5	Range 6
		<i>Up to 44 Kg</i>	<i>45 Kg to 99 Kg</i>	<i>100 Kg to 299 Kg</i>	<i>300 Kg to 499 Kg</i>	<i>500 Kg to 999 Kg</i>	<i>1.000 Kg or more</i>
Material Type	Aircraft / Truck Type						
<b>HAZMAT</b>	<b>Cargo</b>	RCH1	RCH2	RCH3	RCH4	RCH5	RCH6
	<b>Passenger</b>	RPH1	RPH2	RPH3	RPH4	RPH5	RPH6
	<b>Domestic (Truck)</b>	RDH1	RDH2	RDH3	RDH4	RDH5	RDH6
<b>NON-HAZMAT</b>	<b>Passenger</b>	RP1	RP2	RP3	RP4	RP5	RP6
	<b>Cargo</b>	RC1	RC2	RC3	RC4	RC5	RC6
	<b>Domestic (Truck)</b>	RD1	RD2	RD3	RD4	RD5	RD6
<b>Cost Per Range</b>		CPR1	CPR2	CPR3	CPR4	CPR5	CPR6

**8.4.4. WEIGHT FACTOR (WF).**

Weight Factor (WF)					
Range 1 (W1)	Range 2 (W2)	Range 3 (W3)	Range 4 (W4)	Range 5 (W5)	Range 6 (W6)
<i>Up to 44 Kg</i>	<i>45 Kg to 99 Kg</i>	<i>100 Kg to 299 Kg</i>	<i>300 Kg to 499 Kg</i>	<i>500 Kg to 999 Kg</i>	<i>1.000 Kg or more</i>



0.6	0.2	0.029	0.029	0.029	0.029
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#### 8.4.5. WEIGHTED UNIT PRICE PER RANGE (WUPR):

$$8.4.5.1. WUPR = CPR_n * W_n$$

#### 8.4.6. The arithmetic average of the WUPR:

$$Average WUPR = \frac{(WUPR_1) + (WUPR_2) + (WUPR_3) + (WUPR_n)}{n}$$

#### 8.4.7. UNIT PRICE OF THE BIDDER:

UNIT PRICE = Average WUPR + ONU Code per cargo aircraft + ONU Code per passenger + DOCUMENTATION FEE/FIXED PACKAGING.

8.5. It is important to highlight that during the performance of the CONTRACT the amounts to be paid shall be shown by range in the RCH, PRG, RP, and RC fields, according to the weights in kilograms of the cargo to be shipped.

8.5.1. Bidders must submit a fixed price for Range 1, and a price per kilogram in Ranges 2 to 9.

8.6. Bidders must submit their price proposal in accordance with the PRICE PROPOSAL MODEL as provided in the Invitation for Bid.

### 9. SUBCONTRACTING

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

9.1.1. Sub-contracting may be authorized by BACW's Chief, through the CONTRACT MONITOR.

9.1.2. The 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.

9.1.3. When sub-contracting, the CONTRACTED PARTY shall be responsible for performing the service in its entirety. The latter is responsible for the supervision and coordination of the sub-contractor's activities, having full responsibility for the object of the contract before the CONTRACTING PARTY.

### 10. TERMS

#### 10.1. Term of Validity

10.1.1. The CONTRACT's term of Validity shall be **12 (twelve) months**, beginning on the day it was signed, including the execution, acceptance and term established for payment.

10.1.2. The validity may be extended by agreement between the parties for an additional period of 12 months, if it is in the CONTRACTING PARTY's interest, up to the maximum period of 60 months.



## 10.2. Execution Term

**10.2.1.** The PERIOD of execution of the CONTRACT shall be 12 months, starting from the issuance of the SERVICE ORDER.

## 10.3. Deadline for Receipt

**10.3.1.** The services must be accepted by COMREC through the Final Receipt Term, signed by the parties within 10 (ten) days of the CONTRACTED PARTY's written notification.

**10.3.1.1.** The receipt does not exclude civil liability for responsibility and security, or ethical/professional liability for the full performance of the Contract.

## 10.4. Payment Deadline

**10.4.1.** The payment term for the commercial Invoice cannot exceed 30 calendar days starting from the date of issuance of the receipt term by COMREC, along with the delivery of the cargo documentation at CTLA.

**10.4.2.** This term must be automatically renewed for 10 (ten) working days in case of discrepancies noted by the Inspection team, and mandatorily notified in writing by the CONTRACTED PARTY.

**10.4.3.** Payment must be made to the CONTRACTED PARTY when the contract's services and obligations are fully performed by the date related to the Invoice.

**10.4.4.** The CONTRACTED PARTY must submit the invoice to the CONTRACTING PARTY within 10 (ten) days of the shipment arrival in Brazil. Invoice shall be issued in US Dollars.

**10.4.4.1.** The Invoice submitted by the CONTRACTED PARTY shall have a specific number and cannot be reused in other invoices. It shall have at least the following information: Invoice number; Contact number; AWB with ETD / ETA; Unit value per range (R); FIXED PACKAGING AND DOCUMENTATION FEE (T-EP / DC), if applicable; fees levied on AWB and the UN Code Cost.

## 10.5. Delivery

**10.5.1.** Due to the nature and the specificity of the materials, the shipment shall be delivered to the Destination with a maximum timeframe of **10 (ten) calendar days for the delivery of HAZMAT and NON-HAZMAT material transported in cargo aircraft and/or truck, and 6 (six) calendar days for delivery of HAZMAT and NON-HAZMAT material transported in passenger aircraft**, starting from the date of the CONTRACTED PARTY's electronic notification sent by the CONTRACTING PARTY, up to the arrival date of the material at Galeão International Airport (GIG ).

## 10.6. Cargo retrieval

**10.6.1.** The CONTRACTED PARTY, after receiving the service request and related documentation, must retrieve the items at the ORIGIN, according to the terms described in 7.13.3 and 7.16.2.

## 11. PRICE ADJUSTING

**11.1.** All installments of the price may be renegotiated. A formal proposal of one of the Parties mentioned in the CONTRACT must be submitted and it will only be valid if done after 12 months



from the deadline for the initial submission of the proposals or the last renegotiation. Moreover, the renegotiations must be preceded of indexes/indicators supporting the new updated prices, as well as a cost spreadsheet.

**11.2.** In the renegotiations that follow, the annuality will be counted from the date of the last renegotiation occurred.

**11.3.** The renegotiations will be preceded by a request from the CONTRACTED PARTY, accompanied by an analytical demonstration of the change in costs, through presentation of the cost and price formation spreadsheet and the new collective agreement that underlies the renegotiation.

**11.4.** It is prohibited the inclusion, on the occasion of the renegotiation, of benefits not foreseen in the initial proposal, except when they become mandatory by virtue of a legal instrument, normative sentence, or collective agreement.

**11.5.** When the renegotiation is requested, it will only be granted through negotiation between the parties, considering:

**11.5.1.** The market prices and other contracts in the administration;

**11.5.2.** The peculiarities of the current contract;

**11.5.3.** New collective agreement in the professional field;

**11.5.4.** New spreadsheet with the variation of costs presented;

**11.5.5.** Sectorial indicators, manufacturer tables, official reference values, government tariffs or other equivalent; and

**11.5.6.** The CONTRACTED PARTY's budget availability.

**11.6.** The decision on the renegotiation request must be made within a maximum period of sixty days, counting from the request and the delivery of proof of variation in costs.

**11.7.** In the case of renegotiation, an addendum to the current contract will be drawn up.

**11.8.** The term referred to in the previous paragraph will be suspended as long as the CONTRACTED PARTY does not comply with the acts or present the documentation requested by the CONTRACTED PARTY to prove the variation in costs.

**11.9.** The CONTRACTING PARTY may verify the variation in costs claimed by the CONTRACTED PARTY.

**11.10.** The presentation of the renegotiation proposal by the CONTRACTED PARTY does not require acceptance by the CONTRACTING PARTY, who may choose not to extend the contract for the next 12-month period.

**11.10.1.** If the CONTRACTED PARTY does not present other duly justified indexes, the maximum renegotiation value shall pertain to the variation of the CPI (Customer Price Index, issued by the Bureau of Labor Statistics - BLS - According to the North American Ministry of Labor).

## **12. MONITORING**

**12.1.** THE MONITORING shall be performed by specifically designated agents from the Federal Administration.

**12.2.** The MONITORING of contractual performance consists of verifying the conformity of the services and the availability of the necessary resources.



**12.3.** Proper verification of contractual compliance must be performed based on the criteria established in the BASIC PROJECT and in accordance with the contractual terms.

**12.4.** Contractual performance must be monitored and inspected, including monitoring compliance with the obligations arising from the CONTRACT.

**12.5.** The MONITORING shall record all events related to the performance of the CONTRACT.

**12.6.** The monitoring and supervision of the contractual performance carried out by the CONTRACTING PARTY, does not eliminate the CONTRACTED PARTY's responsibility, including vis-à-vis third parties, for any irregularities, even if due to technical imperfections, failures or improper use of the equipment. In the event of such incidents, they do not imply any shared responsibility of the CONTRACTING PARTY, its representatives or employees.

**12.7.** For the purposes of the CONTRACT, events may be considered unenforceable or caused by force majeure if they are in accordance with the legal description provided in the sole paragraph of Article 393 of the Brazilian Civil Code, or the terms of paragraph II, §1, Art. 57 of Law 8.666 / 93 (Brazil).

**12.8.** THE MONITORING shall, additionally, observe the following procedures:

**12.8.1.** Monitor the development of all service requests made by the CONTRACTED PARTY;

**12.8.2.** Monitor the development of services until received by CTLA / END USER;

**12.8.3.** Submit all proposals, questions, discrepancies and difficulties encountered during contractual execution, or those that require approval and / or decision, to the EXPENSES MANAGER;

**12.8.4.** Receive the invoices and compare with the values established in the CONTRACT, certify the invoices and forward to the EXPENSES MANAGER for approval.

**12.8.5.** All invoices must be about a performed service, including the units and the total values, taxes and fees, PROCESSING cost and discounts offered. All supporting documents must be attached to the invoice for validation by COMREC.

**12.8.6.** In the case of other costs that may influence the cost of the service, these must be included as well as break down;

**12.8.7.** Issue, by the fifth day of the following month, a Contractual Status Report for the Administration.

### **13. RECEIPT OF THE OBJECT**

**13.1.** The services, as the object of the CONTRACT, shall be received by COMREC in accordance with the specifications established in the BASIC PROJECT.

**13.2.** It is the responsibility of the RECEIPT COMMISSION (COMREC):

**13.2.1.** Make sure that the CONTRACTED PARTY will follow the description of all services that are the object of the BASIC PROJECT;

**13.2.2.** Receive or reject services in accordance with the specifications described in the BASIC PROJECT within 10 (ten) calendar days.

**13.2.3.** Once approved, invoices will be sent to CABW's Contracts Division;



**13.2.4.** All proposals, questions, discrepancies and difficulties encountered during the performance of the CONTRACT or that require an evaluation shall be submitted to the SUPERVISOR, for the Chief of CABW's acknowledgement.

## **14. OBLIGATIONS**

### **14.1. CONTRACTING PARTY'S OBLIGATIONS:**

**14.1.1.** To provide all the necessary conditions for the CONTRACTED PARTY to perform the services, in accordance with the CONTRACT.

**14.1.2.** To require the completion of all obligations agreed by the CONTRACTED PARTY in accordance with the details stated in the BASIC PROJECT, the CONTRACT and in the terms and conditions.

**14.1.3.** To supervise services by agents of the administration officially designated for this purpose, who will record any flaws, including the day, month and year, as well as the names of the people who may be involved, sharing such information with the relevant authorities for any applicable action.

**14.1.4.** Notify the CONTRACTED PARTY in writing of the occurrence of any irregularities during the performance of the services, and establish a deadline for its correction.

**14.1.5.** Pay the CONTRACTED PARTY the amount due for the performance of services after receiving and accepting the invoice, as established in the CONTRACT; and

**14.1.6.** Make sure that, throughout the term of the CONTRACT, all the conditions of eligibility and qualifications required in the bidding process will be maintained in accordance with the obligations incurred by the CONTRACTED PARTY.

### **14.2. CONTRACTED PARTY'S OBLIGATIONS:**

**14.2.1.** To perform the services in accordance with the specifications provided in the BASIC PROJECT and in its proposal, with the necessary resources for full compliance with the CONTRACT.

**14.2.2.** To be responsible for any and all materials, and for damages caused by action or inaction by any contracted employees, workers, agents or representatives of the CONTRACTED PARTY.

**14.2.3.** To prohibit, during the performance of services, the use of employees having public positions, appointed positions, or a BACW's employee.

**14.2.4.** To assume responsibility for all tax and work-related obligations related to the services of the CONTRACT.

**14.2.5.** To maintain throughout the term of the CONTRACT, consistency with the obligations assumed and all the conditions of eligibility and qualification required in the bidding.

**14.2.6.** To be responsible for any costs resulting from any errors in calculating the quantity of items in your proposal, including the variable costs associated with future and uncertain facts.

**14.2.7.** To provide information and clarifications of a technical nature, proving all document data, when requested by the MONITORING team.



**14.2.8.** Partial or total non-performance of the responsibilities assumed by the CONTRACTED PARTY may result in the application of administrative sanctions, established in the future CONTRACT, including fines, and it may culminate in the termination of the contract.

**14.2.9.** To be responsible for all labor, social and tax obligations, as well as for any other rights and obligations included in the legislation. The violation of any of these obligations does not imply the transfer of these responsibilities to the CONTRACTING PARTY.

## 15. PERFORMANCE LOCATION

**15.1.** Services shall be performed from the premisses of the CONTRACTED PARTY, to the cargo destination at the Galeão International Airport (GIG), by air transportation.

## 16. ESTIMATED BUDGET

**16.1.** Based on the average values paid during the performance of a similar contract at CABW and the estimated pick up / shipment described in the table in item 5.1, the maximum estimated value of the contract will be **USD 79,665.85 for a 12 months** term of contract performance.

**16.2.** The demand perspective estimated in this BASIC PROJECT does not imply any obligation by the CONTRACTING PARTY.

**16.3.** For the purpose of this BASIC PROJECT, the estimated rates by weight are indicated as follows:

ESTIMATED COST OF FLIGHTS									
PLACE REPAIR	LEVEL		MINIMUM PRICE PER SHIPPING	Range 1	Range 2	Range 3	Range 4	Range 5	Range 6
	Material Type	Aircraft Type		Up to 44 Kg	45 Kg to 99 Kg	100 Kg to 299 Kg	300 Kg to 499 Kg	500 Kg to 999 Kg	1.000 Kg or more
<i>Pratt &amp; Whitney Southern Logistics Center 3625 Royal South Pkwy Atlanta, Georgia, 30349</i>	<b>HAZMAT</b>	Cargo	USD 362.80	USD 18.74	USD 12.55	USD 8.43	USD 8.03	USD 7.66	USD 7.29
		Passenger	USD 397.80	USD 6.55	USD 5.71	USD 5.33	USD 5.33	USD 5.07	USD 4.67
		Domestic (Truck)	USD 682.00	USD 14.78	USD 14.78	USD 7.61	USD 2.03	USD 1.76	USD 1.90
	<b>NON-HAZMAT</b>	Cargo	USD 337.80	USD 16.45	USD 11.03	USD 7.41	USD 7.31	USD 6.74	USD 6.42
		Passenger	USD 342.80	USD 4.43	USD 3.86	USD 3.61	USD 3.61	USD 3.44	USD 3.17
		Domestic (Truck)	USD 422.00	USD 7.56	USD 7.56	USD 3.86	USD 1.78	USD 1.62	USD 1.83
	<b>HAZMAT</b>	Cargo	USD 380.63	USD 18.06	USD 12.09	USD 8.11	USD 7.73	USD 7.38	USD 7.03



DSV Air & Sea Inc. 12430 NW 25th Street Suite 100 Miami, FL 33182		Passenger	USD 378.13	USD 5.96	USD 5.12	USD 4.74	USD 4.74	USD 4.48	USD 4.09
		Domestic (Truck)	USD 682.00	USD 14.78	USD 14.78	USD 5.40	USD 2.43	USD 2.18	USD 2.48
	NON-HAZMAT	Cargo	USD 355.63	USD 15.78	USD 10.56	USD 7.10	USD 6.76	USD 6.45	USD 6.15
		Passenger	USD 335.63	USD 4.03	USD 3.46	USD 3.21	USD 3.21	USD 3.04	USD 2.78
		Domestic (Truck)	USD 422.00	USD 7.56	USD 7.56	USD 4.66	USD 2.19	USD 2.04	USD 2.41

Collins Aerostructures GOODRICH AEROSTRUCTURES GROUP 1300 West Fern Ave Foley AL 36535 US	HAZMAT	Cargo	USD 432.12	USD 18.99	USD 12.80	USD 8.68	USD 8.28	USD 7.92	USD 7.55
		Passenger	USD 467.12	USD 6.80	USD 5.96	USD 5.59	USD 5.59	USD 5.32	USD 4.93
		Domestic (Truck)	USD 682.00	USD 14.78	USD 14.78	USD 8.01	USD 2.23	USD 1.99	USD 2.23
	NON-HAZMAT	Cargo	USD 407.12	USD 16.70	USD 11.28	USD 7.67	USD 7.57	USD 6.99	USD 6.68
		Passenger	USD 412.12	USD 4.68	USD 4.12	USD 3.87	USD 3.87	USD 3.69	USD 3.43
		Domestic (Truck)	USD 422.00	USD 7.56	USD 7.56	USD 4.28	USD 1.99	USD 1.84	USD 2.16
MTU Maintenance Canada Limited 4300 80th Street Delta, British Columbia V4K 3N3, CANADA	HAZMAT	Cargo	USD 943.14	USD 28.75	USD 28.75	USD 18.15	USD 16.13	USD 15.56	USD 15.89
		Passenger	USD 943.14	USD 28.75	USD 28.75	USD 18.15	USD 16.13	USD 15.56	USD 15.89
		Domestic (Truck)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	NON-HAZMAT	Cargo	USD 717.01	USD 20.95	USD 20.95	USD 12.90	USD 11.02	USD 10.54	USD 10.93
		Passenger	USD 717.01	USD 20.95	USD 20.95	USD 12.90	USD 11.02	USD 10.54	USD 10.93
		Domestic (Truck)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
UN Code - NON-HAZMAT			Not Applicable.						
UN Code - HAZMAT - CARGO FLIGHTS			USD 225.00 + USD 100.00 per UN.						
UN Code - HAZMAT - PASSENGER FLIGHTS			USD 75.00 up to 225.00 + USD 225.00 per UN.						
UN Code - HAZMAT- DOMESTIC FLIGHTS			USD 75.00 up to 225.00 per UN.						
DOCUMENTATION FEE AND/OR FIXED PACKAGING (EP/DC)			Included in the cargo price.						
HANDLING AND DOCUMENTATION FEE AT RIO DE JANEIRO AIRPORT - DESTINATION			USD 200.00						

## 17. BUDGET ALLOCATION





**17.1.** Expenses arising from this contract shall be borne in accordance with the following budget classification: Program 0621 - Air Force Preparation and Employment, Action 2048 - Maintenance and Supply of Aeronautical Material, in the Nature of Expense 339039, or other Programs and Actions that may provide such support, taking into account that the costs of transportation and customs clearance in question serve the systems of the Brazilian Air Force.

Washington, DC, October 27th, 2020.

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