

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



INVITATION FOR BID No. 213937/CABW/2021

PAG No. 67102.213937/2021-17



CONTENTS

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



MINISTRY OF DEFENSE
AERONAUTICAL COMMAND
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.

INVITATION FOR BID No. 213937/CABW/2021

PAG No. 67102.213937/2021-17

Approved on: October 10, 2021

Roberto Martire Pires, Col
BACW's Commanding Officer

Legal Support: The Brazilian Federal Government, through the Brazilian Aeronautical Commission in Washington (“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, to be adjudicated based on the **LOWEST UNIT PRICE** per item (Article 6, Item XXVIII of the Brazilian Federal Law No. 14,133/21), in accordance with this Invitation for Bid and its Annexes. This Bidding Process will follow the principles of the aforementioned Brazilian Federal Law, any related legislation and other requirements provided in this Invitation for Bid and its Annexes. Furthermore, Bids submitted to the BACW will be evaluated according to the guidelines contained in the Brazilian Federal Law No. 14,133 of April 1st, 2021 (Art. 5 and Art. 123), regarding legality, impartiality, moral, equality, and transparency.

Date of Delivery and Opening of Envelopes:	November 16, 2021
Time:	10:00 a.m. (Eastern Standard Time)

Address:	1701 22nd St N.W. Washington D.C 20008	Phone:	+1 (202) 518-7348
		Fax:	+1 (202) 483-4684
		E-mail:	chf.dlc.cabw@fab.mil.br

Accreditation:	November 16, 2021
Time:	10:00 a.m. (Eastern Standard Time)



1. DEFINITIONS

1.1. In order to facilitate the comprehension of terminology and to simplify text composition, the following abbreviations and expressions are adopted, followed by their definitions hereafter:

1.1.1. FUELING CARD - Plastic card with an electromagnetic chip, barcode or any other means of electronically tracking fueling, and thereafter issuing reports, to be used for the purpose of processing fueling at the CONTRACTED PARTY's fueling stations;

1.1.2. COMAER – Brazilian Aeronautical Command;

1.1.3. COMREC – Goods and Services Receiving Commission;

1.1.4. CONTRACTED PARTY – The natural person or legal entity contracted to supply the PRODUCTS;

1.1.5. CONTRACTING PARTY - Brazilian Aeronautical Commission in Washington, DC (BACW);

1.1.6. ICA – Brazilian Aeronautical Command Directive;

1.1.7. MO - Military Organization;

1.1.8. OPIS – Oil Price Information Service;

1.1.9. PAG – Administrative Management Process;

1.1.10. PLATTS – PLATTS benchmark price assessments for the commodity market;

1.1.11. PUBLISHED PRICE/PUBLICATION - Commercial publication showing price variations as per OPIS/PLATTS;

1.1.12. PRODUCT - Aviation or Aeronautical Fuel, as per Contract Subject;

1.1.13. SUPERVISOR – Administrative Employee appointed by the Military Organization via internal bulletin to the task of overseeing and inspecting CONTRACT implementation;

1.1.14. SUPERVISION - The individual or commission –representing the CONTRACTING PARTY before the CONTRACTED PARTY, appointed to systematically monitor the fulfillment of contractual terms and complementary orders issued by the Government, in all their aspects;

2. OBJECT

2.1. The acquisition of fuel, Aviation Kerosene type, on demand, to supply aircrafts and equipment of interest to the Brazilian Aeronautical Command in missions outside the Brazilian territory, according to the conditions, quantities and requirements established in this document, in the Basic Project Plan No. 01/SSCB/2021, and in accordance with the following specifications:



- 2.1.1.** The fuel must comply with both ASTM Specification D 1655 (Standard Specification for Aviation Turbine Fuels) and MIL-DTL-83133 (Turbine Fuel, Aviation, Kerosene Type); and
- 2.1.2.** The fuel, in both specifications, according to the operational need, must be composed of corrosion inhibitors of the MIL-I-25017 and AFQRJOS Standards, and anti-icing of the Def Stan 68-252 Standards, MIL -A-85470(B) and MIL-I-27686.
- 2.2.** The fuel must be supplied Into Plane, with all its logical consequences, such as the detanking services and, when the case of prioritizing flight safety, the disposal of contaminated fuel.
- 2.3.** The contractual period is 12 months, renewable to up to 60 months, counted from the date of the contract's signature.
- 2.4.** The quantities are established in the ANNEX I – BASIC PROJECT, "LIST OF LOCALITIES BY AREA AND QUANTITIES TO BE BIDDED".
- 2.5.** Considering the characteristic of the object of this bidding, the established quantities are estimated, and may, therefore, be changed upwards or downwards, within the limits established by Law, according to the operational needs of the COMAER.
- 2.6.** The estimates detailed in this Invitation for Bid do not imply any obligation by the CONTRACTING PARTY. Concerning the estimated fuel demand, the CONTRACTED PARTY is required to supply the PRODUCTS in the countries specified by in the BASIC PROJECT. Furthermore, the estimated quantity for the 12 months of contractual activity is based on services performed in recent activities and the expectation of future demand, and it does not guarantee any right to the CONTRACTED PARTY that those quantities will be met. In case the CONTRACTING PARTY requires, during the 12 months period, less fuel than was estimated, the CONTRACTED PARTY will only be paid for rendered services rendered.
- 2.7.** 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.**
- 2.8.** The services that are object of this document shall be performed on the basis of indirect execution, at the Lowest Unit Price, according to the **ANNEX I – BASIC PROJECT**.



3. PARTICIPATION REQUIREMENTS

3.1. Interested companies, registered with the BACW or not, that are related to the object of this Bid 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.

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

3.2.1. Bankruptcy, legal restructuring, or extrajudicial reorganization;

3.2.2. Dissolution or liquidated;

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

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

3.2.5. That are declared not to be in good standing to enter into an agreement with the Public Administration (Brazil);

3.2.6. 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.

4. ACCREDITATION

4.1. The bidder, or its representative shall report to the BACW's Bidding Commission at the place, date and time indicated in the preamble to this Invitation for Bid, for the purpose of registering the participants in this Bidding Process, with his/her ID card, or any other photo identification document, along with the document granting him/her powers to express opinions in the company's name, during the bidding procedures (such documents shall be made available outside the Envelopes that contain the Qualification Documents and the Price Proposals).

4.1.1. 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.

4.2. 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.

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



4.2.2. 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.

4.3. A registered representative may only represent one bidder.

5. ENVELOPES WITH THE QUALIFICATION DOCUMENTS AND PRICE PROPOSAL

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

5.2. 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. On the outside, they should include the following:

ENVELOPE No. 01 – QUALIFICATION DOCUMENTS
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON - DC
INVITATION FOR BID No. 213937/CABW/2021
[NAME OF THE COMPANY]

ENVELOPE No. 02 – PRICE PROPOSAL
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON - DC
INVITATION FOR BID No. 213937/CABW/2021
[NAME OF THE COMPANY]

5.2.1. 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 **November 16, 2021.**

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

5.2.1.2. The two envelopes must be sent or delivered inside a single oversized sealed envelope, addressed directly to the Bidding Commission, as follows:

C/O BIDDING COMMISSION – BID # 213937/CABW/2021
BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON - DC
1701 22nd Street N.W. Washington, DC 20008

SESSION ON **NOVEMBER 16, 2021 AT 10:00 A.M. (EST)**
[NAME OF THE COMPANY]



5.2.1.3. Envelopes delivered that do not follow the instructions above will not be accepted as a proposal.

6. QUALIFICATIONS (ENVELOPE # 01)

6.1. The BIDDER must present documentation proving that it has authorization for the distribution and/or resale of Aviation Kerosene.

6.2. The BIDDER must prove that the offered Aviation Kerosene, object of this Basic Project, meets the following specifications, which will be required:

6.2.1. ASTM D 1655 (Standard Specification for Aviation Turbine Fuels); and

6.2.2. MIL-DTL-83133 E.

6.2.2.1. Both types, according to the operational need, must be composed of corrosion inhibitors from the MIL-I-25017 and AFQRJOS Standards, and anti-icing from the Def Stan 68-252 Standards, MIL-A-85470 (B) and MIL-I-27686.

6.3. The BIDDER must present certification, issued by third parties, qualified to do so, in compliance with International Standards JIG 1 (Issue 11- Aviation Fuel Quality Control & Operating Standards for Into Plane Fueling Services), and North American Standard ATA Specification 103 (Standard for Jet Fuel Quality Control Airports).

6.4. The BIDDER must present the certificates UNE-EN ISO 9001:2015 (Quality Management) and UNE-EM ISO 14001:2015 (Environmental Management).

7. PRICE PROPOSAL (ENVELOPE # 02)

7.1. 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:

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

7.1.1.1. The service quoted shall include all costs arising from the performance of the services, 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.



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

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

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

7.1.2. The validity of the proposal shall not be less than ninety **(90) days** from the day the bidding process is officially initiated.

7.2. 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 immaterial errors or mistakes, without any alteration to the substantive content of the proposal or the aforementioned terms and conditions, and provided they will not cause any adverse impact to the other bidders.

7.3. 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.

7.4. The changes addressed under this item shall be submitted to the Bidding Commission for review.

7.5. The Bidding Commission may perform the correction of any of the above-described errors, or it can request the Bidder to submit the corrected proposal.

7.6. No complaints with regard to the proposals will be admitted after they are duly recorded in the minutes.

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

7.8. The services value is estimated to be a maximum of **USD 6,626,452.00** for the first **12-month period**.

7.8.1. From the foregoing, in this process, the final price will be differentiated by each LITER of the product, in each location, adding up the installments according to the table below:



Gross Liter Price						
(FINAL PRICE)	=	MARKET PRICE	+	AIRPORT TAXES & FEES	+	FIXED DIFFERENTIAL
USD /L		USD/L		USD/L		USD/L

Table 2 – Composition of the price of Aviation Kerosene, **per liter**, for this contract.

7.8.2. The BIDDER must pay attention to the need to convert units of measure: the IATA table presents prices per GALLON, but the proposal must present the price of the **LITER**, which will be the unit of measure used in the CONTRACT.

7.9. The detailed Criteria for Price proposals are shown in item 8 of the BASIC PROJECT – ANNEX I to this Invitation for Bid.

8. PROCEDURE FOR OPENING THE ENVELOPES

8.1. On the date, time and place indicated in this Invitation for Bid, in an open meeting, before the bidders present, the BACW's Permanent Bidding Commission will receive the oversized sealed envelopes (referenced in Subitem No. 5.2.1.2) containing **Envelopes No. 01 and No. 02**, and will proceed to initiate the bidding process.

8.1.1. These public acts 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.

8.2. 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.

8.3. In case there are no 3 (three) valid proposals at the bidding meeting, the Bidding Commission will inquire to the present bidders about safeguarding their envelopes for a republishing of the IFB to be announced at later date. Moreover, the bidder has the right to maintain its envelopes at its guard. However, at the republishing of IFB all the requested envelopes must have to be presented. In case the bidder is not present at the meeting, the Bidding Commission will inform about the mentioned procedures and request a written authorization to keep their sealed envelopes to the republishing of the IFB or to return it unopened to its sender.



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

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

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

8.5.1. 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 public meeting will take place, informing all bidders.

8.5.1.1. 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.

8.6. 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.

8.7. 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.

8.7.1. The opening of PRICE PROPOSAL may occur at the same meeting in the following cases:

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

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

8.7.1.3. 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.

8.7.1.4. 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.

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



8.9. 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.

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

9. QUALIFICATION DOCUMENTS ANALYSIS

9.1. Participants will be **disqualified** if:

9.1.1. 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.

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

9.2. 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.

10. PRICE PROPOSAL ANALYSIS

10.1. The criterion for evaluation the Price Proposal will be the **LOWEST UNIT PRICE**. The winning bidder will be selected individually for each item based on the lowest price proposed for each location detailed in the BASIC PROJECT – ANNEX I.

10.2. It will be **DISQUALIFIED** the proposal which:

10.2.1. Does not comply with Item 6 of this Invitation for Bid;

10.2.2. It is flawed or illegible, it is not specific or presents with irregularities and flaws that hinders its review;

10.2.3. It is not in compliance with any requirement set forth in this Invitation for Bid or the BASIC PROJECT;

10.2.4. 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;

10.2.5. 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;



10.2.5.1. 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 59, item III, of the Brazilian Law No. 14,133/21, under the penalty of being disqualified.

10.3. 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 §2º of Article 59, of the Brazilian Federal Law No. 14,133/21.

10.4. 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.

10.4.1. 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.

10.4.2. After thirty minutes, the draw will be conducted, regardless of whether the companies or their representatives are in attendance.

10.5. 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.

11. HOMOLOGATION AND ADJUDICATION

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

11.2. The adjudication will be made on an item-per-item basis, to the **LOWEST UNIT PRICE** offered by a bidder to the given item.

12. CONTRACT

12.1. 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.

12.1.1. 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.



12.2. The Brazilian Federal 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.

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

12.4. 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.

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

13. SUBCONTRACTING

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

13.1.1. Sub-contracting may be authorized by the BACW's Commanding Officer, through the Contract Supervisor.

13.1.2. 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.

13.1.3. 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.

14. TERMS

14.1. Term of Validity

14.1.1. This project details the supply of PRODUCTS over 12 months, in accordance with this Administration's requirements.

14.1.2. The contract's validity may be extended for up to a total of 60 months if in the Administration's interest.



14.2. Term of Execution

14.2.1. Delivery time shall be 365 consecutive days, starting on the day on which the contract is published in the Brazilian Official Gazette [*“Diário Oficial da União”*].

14.3. Acceptance Timeframe

14.3.1. The PRODUCTS supplied must be accepted by the Administration through an adequately qualified Commission, referred to as COMREC.

14.3.2. Acceptance timeframes shall be defined by the CONTRACTING PARTY, in accordance with each step completed in the supply process, not to exceed 30 (thirty) consecutive days.

14.3.3. The CONTRACTED PARTY may issue weekly reports for the purposes of oversight and invoice payment.

14.4. Payment Processing Time

14.4.1. The payment processing time shall be up to 30 days, starting on the date on which the term of receipt is issued.

15. FINANCIAL GUARANTEE

15.1. The provision of a Contract guarantee shall be required from the CONTRACTED PARTY, in the amount of 1% (one) percent of the total maximum amount of the Contract, within 10 business days of the signature of the Contract, in order that the Service Order may be signed, and consequently, the execution of the Contract can begin. The CONTRACTED PARTY can provide the Contract guaranty in the following modalities in the discretion of the CONTRACTING PARTY:

15.1.1. Security Deposit in the form of monies or bonds;

15.1.2. Insurance guaranty; or

15.1.3. Bank guaranty.

15.1.3.1. A guaranty that does not cover all the possible risks and losses associated with the performance of the Contract shall not be accepted.

15.2. A guaranty that is provided as bank guaranty or insurance guaranty must be valid throughout the term of the Contract.

15.3. If the amount of the guaranty is used, in whole or in part, by the CONTRACTING PARTY, as compensation for any losses caused by the CONTRACTED PARTY’s conduct during the performance of the Contract, the CONTRACTED PARTY shall proceed to replenish that respective amount within **five (5) business days**, from the date it is notified.



15.4. After the completion of the Contract, when regular compliance of all obligations of the CONTRACTED PARTY is verified, the guaranty provided by the CONTRACTED PARTY shall be released and returned.

16. CHANGES TO THE CONTRACT

16.1. Pursuant to Article 125 of the Brazilian Federal Law No. 14,133/21, the CONTRACTED PARTY is required to accept, under the same terms and conditions, any changes involving addition or subtraction of products, that may be necessary, at the discretion of the BACW, up to the limit of twenty-five percent (25%) of the original total amount of the Contract.

16.1.1. Since the demands are estimated due to the characteristics of the OBJECT of this INVITATION FOR BID, deductions in the amount that exceeds the limit of twenty-five percent (25%) of the Contract may occur during the performance of the CONTRACT.

16.1.2. 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.

17. PRICE VARIATION

17.1. Taking into account the unique characteristics of this hiring, fueling prices may undergo variations beyond the CONTRACTING PARTY'S and the CONTRACTED PARTY'S control. Therefore, variations shall affect the price in the following manner:

17.1.1. Prices paid through the CONTRACT must be adjusted via increases or decreases, to reflect the variations in price including cents. The relevant price shall be as listed in an OPIS/PLATTS PUBLICATION, on the date of fueling during CONTRACT implementation.

17.1.2. Price variations noted in the PUBLICATION shall be applied to the price contemplated by the bid solely on the day of- or the day after- the price change in the market, in accordance with the PUBLICATION; and provided that the CONTRACTED PARTY notifies the SUPERVISOR within 15 days of the market price variation, attaching proof.

17.2. Market price adjustment rate will be reviewed by the CONTRACTED PARTY (PUBLICATION) if the PUBLICATION is discontinued, or if the CONTRACTED PARTY'S means of obtainment should drastically change for reasons beyond CONTRACTED PARTY'S control. In



either case, the CONTRACTED PARTY must present documentation supporting this situation for analysis.

17.3. The CONTRACTED PARTY must give the CONTRACTED PARTY access to the OPIS and/or PLATTS systems for verification and monitoring of price variations.

17.4. The market price adjustment index assigned during the Bid by the CONTRACTED PARTY shall change if the CONTRACT SUPERVISOR should reasonably demonstrate that the market price index failed to represent market price consistently or substantially.

17.5. There will be no price adjustment if caused by delays or faults by the CONTRACTED PARTY.

17.6. When issuing an INVOICE, the CONTRACTED PARTY must show the price presented at Bid and price variation on PUBLICATION, while also citing the relevant PUBLICATION, as presented during the Bid.

18. PAYMENT

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

18.2. An Invoice shall be issued by the CONTRACTED PARTY in accordance with the following procedures:

18.2.1. Payment shall only be made, after the appropriate official's "approval" of the Invoice provided by the CONTRACTED PARTY.

18.2.2. 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

18.2.3. 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.

18.3. 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.

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



18.5. 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.

19. SUPERVISION

19.1. The SUPERVISOR must be an Administrative Federal employee, specifically appointed by the Brazilian Federal Administration, in accordance with the precepts established by the Brazilian Federal Law No. 14,133/21, by the ICA No. 65-8/2009, and the ICA No. 12-23/2014, so as to monitor and inspect the fulfillment of the contract to be executed.

19.2. Monitoring of contractual fulfillment consist in verifying the conformity of PRODUCT supply and the allocation of the necessary resources, thereby ensuring the perfect application of adjustment, and must be performed by the SUPERVISOR.

19.3. The CONTRACTING PARTY'S representative must have the necessary experience to monitor the supply of the contracted fuel.

19.4. Verification of adequate contractual fulfillment must be performed based on the criteria established in the TECHNICAL SPECIFICATIONS and in accordance with contractual terms.

19.5. Contractual performance must be monitored and inspected through oversight instruments including monitoring of the fulfillment of the obligations arising from this agreement.

19.6. The SUPERVISOR shall note in his records all events related to the performance of the Contract, taking the necessary measures for the complete fulfillment of contractual clauses. The measures exceeding his competence must be notified to the relevant authority in a timely manner.

19.7. The monitoring of contractual performance carried out by the CONTRACTING PARTY does not eliminate the CONTRACTED PARTY'S responsibility, also before third parties, due to any irregularity, even if arising from technical imperfections, flaws or inadequate use of equipment, and when these incidents occur, they do not imply shared responsibility by the CONTRACTING PARTY, its representatives or employees.

20. RECEIPT OF THE OBJECT

20.1. The services/material that are the object of the BASIC PROJECT shall be received by the Receiving Commission in accordance with the specifications set forth in the Basic Project, Annex I of this Bid Announcement.

20.2. It is the responsibility of the Receiving Commission to:

20.2.1. Ensure that the CONTRACTED PARTY will follow the description of all the material that are the object of the BASIC PROJECT;



20.2.2. Receive services or reject them according to the specifications set forth in the BASIC PROJECT, in up to ten (10) calendar days;

20.2.3. 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

20.2.4. 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.

21. OBLIGATIONS OF THE CONTRACTING PARTY AND THE CONTRACTED PARTY

21.1. The obligations of the CONTRACTING PARTY and CONTRACTED PARTY are established in the BASIC PROJECT – ANNEX I, and other obligations provided for in this Invitation for Bid and its related Annexes.

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 ALLOCATION

23.1. The expenses associated with this Contract shall be covered by specifically allocated resources from the Country's General Budget within this Organization, in accordance with the following budget classification:

Management/Unit: 00001;

VGR: 120071;

PTRES: 168896;

Source: 0100000000 or similar;

Internal Plan: A0000480100;

Expenditure Item: 33.90.30;

Action: 2868.

24. VIOLATIONS AND ADMINISTRATIVE SANCTIONS



24.1. Failure to complete the Contract as a whole or in part or any violation of the obligations listed in the Invitations to Bid and in the Contract shall subject the CONTRACTED PARTY, notwithstanding other criminal, contractual and civil liability, to any and all damages and remedies available to CONTRACTING PARTY under this Contract or applicable law, while ensuring due process, to the following penalties:

24.1.1. A warning for minor violations, which for these purposes mean those that do not result in significant losses to the object of the contract;

24.1.2. Compensatory fine of up to one percent (1%) of the total amount of the Contract;

24.1.3. Suspension from participating in a bidding process and entering into an agreement with the Administration (BACW) for two (2) years; and

24.1.4. 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 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).

24.3. 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.

24.4. 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.

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 II, Article 104 of the Brazilian Federal Law No. 14,133/21;

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 BACW reserves the right to revoke or annul the Bidding Process in case clearly in the public interest, e.g.:

26.9.1. Where there is no longer a requirement for the supplies or services; or

26.9.2. Where amendments to the invitation would be of such magnitude that a new invitation is desirable.

26.9.3. When an invitation for bid is cancelled, bids that have been received shall be returned unopened to the bidders and notice of cancellation shall be sent to all prospective bidders to whom invitations were issued.

26.10. Preservation of the integrity of the competitive bid system dictates that, after bids have been opened, award must be made to that responsible bidder who submitted the lowest responsive bid, unless there is a compelling reason to reject all bids and cancel the invitation.

26.10.1. Invitations may be cancelled and all bids rejected before award but after opening when, consistent with these general provisions, the BACW Chief determines in writing that:

26.10.2. Inadequate or ambiguous specifications were cited in the invitation;

26.10.3. Specifications have been revised;

26.10.4. The supplies or services being contracted for are no longer required;



26.10.5. The invitation did not provide for consideration of all factors of cost to the Government;

26.10.6. Bids received indicate that the needs of the Government can be satisfied by a less expensive article differing from that for which the bids were invited; and

26.10.7. For other reasons, cancellation is clearly in the public's interest

26.11. 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 Brazilian Administration (BACW).

26.12. 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.

26.13. 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.

26.14. 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 BACW.

26.15. The Invitation for Bid and its Annexes may be read and/or obtained at the BACW at the address indicated below, during business days, from **7:15 a.m. to 3:15 p.m.**

26.16. 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 **7:15 a.m. to 3:15 p.m.** (EST), after previously scheduled time:

1701 22nd St N.W.
Washington, D.C. 20008
Ph.: +1 (202) 518 7348
Fax: +1 (202) 483 4684
E-mail: chf.dlc.cabw@fab.mil.br

26.17. 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, and the parties irrevocably submit to the exclusive jurisdiction of such court. This Invitation for Bid and the bidding process shall be construed and interpreted in accordance with



the principles of Brazilian 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

26.18. 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, D.C., **October 28, 2021.**

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

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