

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



CONTRACT No. XXX/CABW/2022

IFB No. 221072/CABW/2022

(PAG No. 67102.221072/2022-35)



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PAG No.: **67102.221072/2022-35**

CONTRACT No.: **XXX/CABW/2022**

CONTRACT THE SERVICE OF ENGLISH TRAINING PRIVATE CLASSES FOR THE MILITARY AT THE BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON, WHICH THE BRAZILIAN GOVERNMENT HEREBY ENTERS INTO, THROUGH THE **BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON**, AND THE COMPANY **XXXXXX**.

The Brazilian Government, through the Brazilian Aeronautical Commission in Washington (BACW), with main offices located at **1701 22nd St N.W. Washington, D.C., USA, 20008**, represented herein by **Col Wilson Paulo Corrêa Marques**, in the use of his legal attributions, as per Directive No. 50, issued by the Ministry of Aeronautics on January 29, 1953, and as per Art.61 of Brazilian Federal Law No. 8,666/93, hereinafter referred to as the BACW or the CONTRACTING PARTY, and the company **XXXXX**, with main offices located at **XXXXXXXX**, hereinafter the CONTRACTED PARTY, represented herein by **XXXXX**, bearer of ID No. **XXXXX**, and bearing in mind the content of PAG No. **67102.221072/2022-35**, and the final result of the **Invitation for Bid No. 221072/CABW/2022**, based on the principles of Law No. 8,666/93, and related legislation, hereby decide to enter into this agreement and execute this instrument, in accordance with the following terms and conditions:

1. CLAUSE – OBJECT

1.1. The object of this contract is the contracting of Contracting of a specialized company for the services of relocation of UNACCOMPANIED BAGGAGE hereafter referred as **Household Goods (HHG)**, door-to-door, by sea, for the MILITARY PERSONNEL of the Brazilian Aeronautical Command when returning to Brazil at the end of their missions outside Brazil, as per the USER'S INFORMATION, Annex A of Basic Project 04/ADM/2022, based in the selection of the **LOWEST UNIT PRICE**, in accordance with



the requirements established in the ANNEX I (BASIC PROJECT No. 04/ADM/2022), and other clauses and annexes of this CONTRACT.

| ITEM | OBJECT | UNIT PRICE (WINNER) (A) | MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE (2.5% of USD 103,747.70) (B): | MAXIMUM TOTAL PRICE (A+B) |
|------|---|-------------------------|--|---------------------------|
| 1 | ORIGIN ADDRESS: Arlington - VA (USA); DESTINATION CITY: Brasilia - DF (Brazil); ESTIMATED DATE FOR THE RELOCATION: 6/20/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 2 | ORIGIN ADDRESS: Rockville - MD (USA); DESTINATION CITY: Rio de Janeiro - RJ (Brazil); ESTIMATED DATE FOR THE RELOCATION: 6/20/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 3 | ORIGIN ADDRESS: Montgomery - AL (USA); DESTINATION CITY: Rio de Janeiro - RJ (Brazil); ESTIMATED DATE FOR THE RELOCATION: 6/23/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 4 | ORIGIN ADDRESS: Dunn Loring - VA (USA); DESTINATION CITY: Brasilia - DF (Brazil); ESTIMATED DATE FOR THE RELOCATION: 6/27/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 5 | ORIGIN ADDRESS: Montreal - (CA); DESTINATION CITY: São Paulo - SP (Brazil); ESTIMATED DATE FOR THE RELOCATION: 7/15/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 6 | ORIGIN ADDRESS: Bethesda - MD (USA); DESTINATION CITY: Rio de Janeiro - RJ (Brazil); ESTIMATED DATE FOR THE RELOCATION: 7/18/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |



| | | | | |
|----|--|--|------------|--|
| 7 | ORIGIN ADDRESS: Arlington - VA (USA); DESTINATION CITY: Brasília - DF (Brazil); ESTIMATED DATE FOR THE RELOCATION: 7/20/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 8 | ORIGIN ADDRESS: Rockville - MD (USA); DESTINATION CITY: Lagoa Santa - MG (Brazil); ESTIMATED DATE FOR THE RELOCATION: 8/11/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 9 | ORIGIN ADDRESS: Tucson - AZ (USA); DESTINATION CITY: Brasília - DF (Brazil); ESTIMATED DATE FOR THE RELOCATION: 8/17/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 10 | ORIGIN ADDRESS: Hahira - GA (USA); DESTINATION CITY: Brasília - DF (Brazil); ESTIMATED DATE FOR THE RELOCATION: 8/25/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 11 | ORIGIN ADDRESS: Rockville - MD (USA); DESTINATION CITY: Brasília - DF (Brazil); ESTIMATED DATE FOR THE RELOCATION: 8/29/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 12 | ORIGIN ADDRESS: San Antonio - TX (USA); DESTINATION CITY: Rio de Janeiro - RJ (Brazil); ESTIMATED DATE FOR THE RELOCATION: 9/01/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |
| 13 | ORIGIN ADDRESS: San Antonio - TX (USA); DESTINATION CITY: Campo Grande - MG (Brazil); ESTIMATED DATE FOR THE RELOCATION: 8/21/2022; CONTAINER ALLOWED SIZE: 40 feet container; MAXIMUM HHG VALUE ALLOWED FOR INSURANCE COVERAGE: \$103,747.70; | | \$2,853.06 | |

1.2. It is noted that the services related to this CONTRACT must comply with all the laws and regulations set forth by the governments of the countries in which the HHE moving are to be removed as well as the international laws and regulations for the transportation.



Notwithstanding, the interested companies must well know and comply with the laws and regulations set forth by the Brazilian government for custom clearance services.

1.3. All import/export taxes incurred during the execution of the contracted object for unused household goods will be the responsibility of the User.

1.4. The following annexes are integral parts of this contract, regardless of whether or not they are herein transcribed:

ANNEX I – BASIC PROJECT;

ANNEX II - PHYSICAL AND FINANCIAL SCHEDULE; AND

ANNEX III – PRICE PROPOSAL OF THE COMPANY xxxxxx.

2. CLAUSE – PERFORMANCE

2.1. The services contracted shall be performed on the basis of indirect execution and Lowest Unit Price.

3. CLAUSE – LANGUAGE

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

4. CLAUSE – CONDITIONS TO PROVIDING SERVICE

4.1. The services shall be performed by the CONTRACTED PARTY as described herein and in the Basic Project, Annex I (item 3 – Service Specification).

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

5. CLAUSE – OBLIGATIONS

5.1. In addition to the execution assignments described in the Basic Project, the CONTRACTED PARTY shall be required to:

5.1.1. Perform services in accordance with the specifications in the Basic Project and its proposal, with the resources necessary for full compliance with the provisions of the CONTRACT;



- 5.1.2.** Bear all civil liability for each and every material and for damages caused by action or omission on the part of its employees, workers, agents, or representatives, whether intentionally or not, before the Brazilian Government (Brazilian Air Force Command) and other third parties;
- 5.1.3.** Use qualified employees who have essential knowledge of the services that will be performed in accordance with the rules and regulations in effect;
- 5.1.4.** Be responsible for all labor, social, and tax obligations, as well as for any other duties or obligations provided for under specific legislation, the violation of which shall not carry a liability to the CONTRACTING PARTY;
- 5.1.5.** Instruct its employees on the need to follow the guidelines provided by the CONTRACTING PARTY, including with regard to CONTRACTING PARTY Internal Regulations, if any;
- 5.1.6.** Report to the CONTRACTING PARTY each and every irregularity noticed during the provision of services;
- 5.1.7.** Maintain throughout the term of the Contract, consistent with the obligations assumed, all conditions of eligibility and qualification required in the bidding process;
- 5.1.8.** Not assign or transfer to third parties, in any way, not even partially, any of the responsibilities assumed;
- 5.1.9.** Be responsible for any costs resulting from any possible mistakes made in calculating the quantitative items in its proposal, including with regard to variable costs associated with future and uncertain facts, being responsible for covering those items should what was initially provided for in its proposal not be enough to perform the object of the bidding process, except should any of the events be listed under items of § 1, Article 57, of the Law No. 8,666/93 (Brazil);
- 5.1.10.** All services performed by the CONTRACTED PARTY shall be the responsibility of the CONTRACTED PARTY and shall be performed in accordance with the CONTRACT;
- 5.1.11.** Any type of damage or loss, whether direct or indirect, that is caused by the CONTRACTED PARTY or a third party arising from the performance of the CONTRACT shall be the responsibility of the CONTRACTED PARTY;



5.1.12. The CONTRACTED PARTY shall not perform any extra service without first providing an estimated budget, which is to be formally authorized in writing by the CONTRACTING PARTY;

5.1.13. The CONTRACTED PARTY shall appoint a Manager for the purpose of overall management of the activities/services, following up on the CONTRACT and representation with the CONTRACT MONITOR;

5.1.14. The CONTRACTED PARTY shall comply with all the deadlines provided in the CONTRACT;

5.1.15. Comply with all the CONTRACT MONITOR's requirements, especially those related to deadlines, performance and conclusion of the contracted services, as well as the requirements related to the services under special deadline, priority and emergency;

5.1.16. Be responsible for any claims and financial burden that may arise from any law suits, or damage caused directly or indirectly by the CONTRACTED PARTY, and that may possibly be argued against BACW, by third parties;

5.1.17. Execute, with precision and safety, all the services described, displayed or mentioned in the Basic Project, providing all materials, labor, equipment needed;

5.1.18. Communicate, in writing to BACW, any and all information related to any errors, mistakes or flaws found in the Basic Project, not fitting the incorrect execution, due to flaws or mistakes;

5.1.19. Be liable for any damage caused to the BACW or to third parties resulting from the execution of the services; and

5.1.20. Use adequate equipment and tools, to allow for a good execution of the services, and utilize efficient and safe work methods.

5.1.21. The CONTRACTED PARTY shall maintain and provide evidence of Worker's Compensation Insurance for all their employees to cover any accident involving its staff, material, installations and equipment, in form and substance acceptable to CONTRACTING PARTY.

5.1.22. The CONTRACTED PARTY shall faithfully observe and follow all the obligations contained in the Basic Project.



5.1.23. The CONTRACTED PARTY must provide alternative logistical solutions, such as storage, trucks and trailers, as well as other options, to allocate unaccompanied baggage from the military personnel, in case of unavailability of the container on the agreed date.

5.1.24. The CONTRACTED PARTY must pay attention to the recycling and disposal of materials used on the relocation of UNACCOMPANIED BAGGAGE.

5.2. The CONTRACTING PARTY shall be required to:

5.2.1. 5.2.1. In addition to the execution assignments described in the Basic Project, the CONTRACTING PARTY, through the assistance of the CONTRACT Monitor, duly designated for that function, shall:

5.2.1.1 Appoint a RECEIVING COMMISSION (COMREC) through Internal document, consisting of at least 03 (three) BACW employees, to carry out receipt of the qualitative and quantitative object of the CONTRACT;

5.2.1.2 Provide all the conditions for the CONTRACTED PARTY to be able to perform its services in accordance with the provision of the CONTRACT, the Invitation for Bid and its Annexes, and particularly the Basic Project;

5.2.1.3 Require compliance with all obligations assumed by the CONTRACTED PARTY in accordance with the provisions of the CONTRACT and the terms and conditions of its proposal;

5.2.1.4 Provide monitoring of services by an official specifically designated for that purpose, who shall record in his own log any flaws found;

5.2.1.5 Notify the CONTRACTED PARTY in writing of the occurrence of any irregularities during the performance of services, and establish a deadline for their correction;

5.2.1.6 Pay the CONTRACTED PARTY the amount due for the provision of services, as established in the CONTRACT through the receipt and acceptance of an INVOICE;

5.2.1.7 See to it that, throughout the term of the CONTRACT, all conditions of eligibility and qualifications required in the bidding process are maintained, consistent with the obligations assumed by the CONTRACTED PARTY; and

5.2.1.8 Inform the CONTRACTED PARTY the dates and locations of unaccompanied baggage removal and the delivery location, as provided in



the Basic Project.

6. CLAUSE – DISCRIMINATION OF SERVICE

6.1. The services must be performed by the CONTRACTED PARTY as described herein and in the Basic Project, Annex I.

6.2. The container must be individual. In any circumstance, the container must not be shared.

7. INSURANCE

7.1. The **CONTRACTED PARTY** shall provide insurance coverage for all household goods. Such insurance shall cover all household goods against “**All Risks**”, without any exception, from the point of origin in the USA to the destination point in Brazil.

7.2. The **CONTRACTING PARTY** shall be responsible for the payment of the Insurance Coverage up to **2.75% (two-point seventy-five percent)** of the declared HHG value presented in the Inventory, in accordance with maximum allowed HHG Value presented at the USER’S INFORMATION, Annex A.

7.2.1. In case, the HHG value informed in the inventory is higher than the maximum amount allowed as presented in the USER’S INFORMATION, Annex A, the USER shall be responsible for the payment of the difference. Under no circumstances will the burden of insurance declared above the amounts described in the USER’S INFORMATION, Annex A, be the responsibility of **BACW**.

7.2.2. The value of each item declared by the user should be considered for insurance purposes. Proof of the values (market value practiced in Brazil for the item / similar) should only be required if there is any damage reported by the user.

7.2.3. provide the name and contact details of the insurance company's agent or representative prior to the first pick up date.

7.3. The Insurance cost shall not be included in the Price Proposal.

7.4. After the container is loaded and sealed at the USER’S origin, the CONTRACTED PARTY must present the insurance policy, with the respective registration with the insurance company, presented in the Qualification Envelope, containing the description of what is being insured in accordance with the inventory signed by the USER.



7.4.1. The insurance policy and the copy of the inventory signed by the USER shall be sent to the BACW's Administrative Division. BACW's Division responsible for the monitoring of the services.

7.5. The payment of the insurance cost is conditioned to the presentation of the insurance policy and the inventory signed by the USER, in accordance with the maximum amount presented in the USER'S INFORMATION, Annex A.

7.6. Indemnification to the USER by the insurance company of any damages caused during the execution of the object shall be performed within 30 days of the USER's formal communication to the CONTRACTED PARTY.

7.6.1. The CONTRACTED PARTY shall provide all the necessary assistance regarding any claims with the Insurance Company.

7.7. The amount to be reimbursed may be held from the final payment of the service until proof of the reimbursement is presented by the CONTRACTED PARTY to the USER, of damages to the HHG caused during the performance of the services

8. CLAUSE – AMOUNT OF THE CONTRACT

8.1. The total amount of the CONTRACT is **US\$ XXXX**, for XXX months which was initially engaged, through the Purchase Order No. XXXXX, the value of US\$ XXXXXX, being the remaining of US\$ XXXX, complemented during the validity of the Contract.

8.1.1. The above value is merely an estimate, so that the payments due to the CONTRACTOR will depend on the amount of services actually provided.

8.1.2. The total amount includes all costs arising from the performance of the CONTRACT, whether direct or indirect, not being limited to what is described below: all inputs such as raw material (food) costs, fees and/or taxes, social contributions, expenses, insurance, transportation, labor, social security, fiscal, and commercial amounts that are due, administration fees, materials, insurance, and all other fees and expenses necessary for full compliance with the object of the CONTRACT.

8.1.3. Transportation services include all charges and expenses as described below

8.1.3.1. Packing, filling and packaging;

8.1.3.2. Documentation fees;



8.1.3.3. Dock and terminal handling rates;

8.1.3.4. Maritime cargo; and

8.1.3.5. Destination services, port charges, storage at destination, demurrage, customs clearance, delivery, unpacking, assembly, and any other charge related to the performance of the services.

8.2. Notwithstanding the foregoing, CONTRACTED PARTY shall invoice CONTRACTING PARTY based on the value presented in the Price Proposal (Annex II).

9. CLAUSE – FINANCIAL GUARANTY

9.1. The provision of a financial guaranty is not required for this Contract.

10. CLAUSE – TERM, EXTENSION AND DEADLINES

10.1 Term of Validity

10.1.1 The validity of the Contract is XX months start after being signed from both parties.

10.1.2 The CONTRACT may be extended according to the established in the art. 57 of the Brazilian Federal Law 8666/93.

10.2 Start of the service

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

11. CLAUSE – PAYMENT

11.1. The deadline for payment shall be within **thirty (30) calendar days** from the date the notice term of receipt of an approved Invoice is issued by COMREC.

11.2. An Invoice shall be issued by the CONTRACTED PARTY in accordance with the following procedures set forth in this Article 10:

11.2.1. Payment shall only be made, after the CONTRACT MONITOR's "approval" of the Invoice provided by the CONTRACTED PARTY, along with the



other documents required in the Invitation for Bid, in accordance with the Provisions of the Basic Project.

11.2.2. The “approval” of the Invoice is contingent upon verification of compliance of the Invoice submitted by the CONTRACTED PARTY with the services that were actually performed.

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

11.3. 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.

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

11.5. 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.

12. CLAUSE – PRICE ADJUSTMENT

12.1. The price shall be Fixed and Firm (FFP) for the HHG relocation.

12.1.1. Considering the nature of the military missions covered by this instrument, the mission being, for some unforeseen reason, cancelled, postponed or altered, the CONTRACTING PARTY has the right to change the contracting conditions, in accordance with the new conditions imposed on the military personnel and the Clause 14 of this instrument.

13. CLAUSE – BUDGETARY APPROPRIATION

13.1. The expenses arising from this Contract shall be paid with resources of the item 339039 – SERVICES, received by the BACW from the Plan of Action of the Aeronautical Command, based in the Brazilian General Budget for the fiscal year.



14. CLAUSE – MONITORING AND RECEIVING

14.1. MONITORING

14.1.1. The performance of the contracted services will be subject to follow up, and assessment by the MONITOR of the CONTRACTING PARTY.

14.1.2. Following up 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 services.

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

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

14.1.5. Verification of adequacy in the provision of service shall be carried out based on the criteria provided for in the Basic Project.

14.2. RECEIPT OF THE OBJECT

14.2.1. The services that are the object of the Basic Project shall be received by USER;

14.2.2. The USER shall accept the services within 15 (fifteen) calendar days from the completion of the services at the USER's destination.

14.2.3. The services shall be considered completed after the issuance of the DELIVERY CONFIRMATION RECEIPT, Annex C of the Basic Project.

14.2.4. 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



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

15. CLAUSE – CHANGES TO THE CONTRACT

15.1. Pursuant to Article 65, § 1, of Law No. 8.666/93 (Brazil), a CONTRACTED PARTY is required to accept, under the same terms and conditions, any changes involving addition or subtraction 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. The set of increases and the set of decreases shall be calculated based on the original total amount of the Contract.

15.1.2. Increases above 25% can never be accepted, but the total amount of the CONTRACT may decrease by more than 25% (twenty five percent), if both parties agree, given the possibility of execution being less than the amount estimated by the BACW, due to the needs of the CONTRACTING PARTY.

16. CLAUSE – VIOLATIONS AND ADMINISTRATIVE SANCTIONS

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

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

16.1.2. Compensatory fine of up to one percent (1%) of the total amount of the Contract for failure to complete the contract in whole or in part;

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

16.1.4. 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.

16.2. The application of any penalties does not preclude the application of fines.

16.3. Companies and individuals shall also be subject to suspension from participating in a bidding process and entering into an agreement and the declaration of bad standing provided for in the previous sub item if, as a result of the Contract, they have:

16.3.1. Been criminally convicted for committing tax fraud;

16.3.2. Committed an illegal act for the purpose of circumventing the goals of the bidding process;

16.3.3. Demonstrated not to be in good standing to enter into an agreement with the Administration (BACW) for past offenses committed.

16.4. 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).

16.5. 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.

16.6. The fines due and/or losses caused to the CONTRACTING PARTY shall be deducted from the amounts due, and collected by CONTRACTING PARTY on behalf of the Federal Government (Brazil).

16.7. At the discretion of the CONTRACTING PARTY, the fines shall be collected within five (5) business days from the date notification from the appropriate authority is received.

16.8. The sanctions provided for herewith are self-standing and they may be applied separately or, in the case of fines, cumulatively, without prejudice of any other appropriate measures.



17. CLAUSE – LINKAGE

17.1. This Contract is hereby linked to Invitation for Bid No. **221072/CABW/2022**, and the Commercial Proposal of the CONTRACTED PARTY, submitted by company **XXXXXX** to BACW which are incorporated herein.

18. CLAUSE – TERMINATION

18.1. Pursuant to the provisions of Article 78 of Lei No. 8,666/93 (Brazil), the following are cause for terminating this Contract:

- I. Failure to comply with CONTRACT clauses, specifications, projects and deadlines;
- II. Inappropriate compliance with CONTRACT clauses, specifications, projects and deadlines;
- III. Slowness in its compliance which may lead the CONTRACTING PARTY to find it impossible to complete the services within the established deadlines;
- IV. Unjustifiable delay in initiating service;
- V. Stoppage in the service, without cause, and without providing previous notice to the CONTRACTING PARTY;
- VI. Subcontracting in whole or in part CONTRACTED PARTY's obligations under this CONTRACT to a third party, including the assigning or transferring, in whole or in part, such obligations pursuant to any merger or acquisition, the foregoing not being accepted under the CONTRACT without the prior written approval of the CONTRACTING PARTY;
- VII. Failure to comply with orders from the authority designated to follow up and supervise the performance of services, or higher authorities;
- VIII. Repeatedly making errors in the performance of services, duly recorded pursuant to Law No. 8,666/93 (Brazil);
- IX. Bankruptcy;
- X. Dissolution of company or death of the CONTRACTED PARTY;
- XI. Corporate change or alteration of purpose or business of the CONTRACTED PARTY that hinders the performance of the CONTRACT;
- XII. Reasons of BACW interest that are importance, because the nature of services are to be provided on as as-needed basis, ordered by a higher executive authority of the CONTRACTING PARTY, based on an administrative case referred to in the CONTRACT;



XIII. Suspension of services on the part of the CONTRACTING PARTY, IN ITS SOLE DISCRETION, that will cause changes in the original amount of the CONTRACT in excess of the limits provided for under § 1 of Article. 65 of Law No. 8,666/93 (Brazil);

XIV. Suspension of service, through a written order of the CONTRACTING PARTY, for more than one hundred twenty (120) days, in the event of a disasters, domestic disturbances or war, or also repeated suspensions that add up to 120 days. In addition to the required payment of indemnification to the CONTRACTED PARTY, it is also entitled in these cases to suspend complying with its obligations until normalcy is achieved;

XV. A delay for more than ninety (90) days in making payments due by the CONTRACTING PARTY, for services, supply and work already received and performed, except in the event of a disasters, domestic disturbances or war. The CONTRACTED PARTY shall be entitled to suspend compliance with its obligations until normalcy is achieved;

XVI. Failure of the CONTRACTING PARTY to release the object for the performance of services within the established deadlines;

XVII. Acts of God or force majeure that prevents performance of the CONTRACT, which is to be duly demonstrated; and

XVIII. Violation of the provisions of items V of Article 27 of Law No. 8,666/93 (Brazil), notwithstanding the applicable criminal sanctions.

18.2. Termination will be formally recorded under the law, with the right of due process and ample defense ensured.

18.3. Termination of this CONTRACT may be:

18.3.1. Decided unilaterally, in its sole and absolute discretion, and in writing by the CONTRACTING PARTY in the event listed under in items I to XII, XVII, and XVIII of this CLAUSE;

18.3.2. Agreeable, through an agreement between the parties, entered as an addendum in the process, provided it is convenient to the CONTRACTING PARTY; and

18.3.3. Judicially, pursuant to applicable legislation.

18.4. The Administrative or agreeable termination shall be preceded by written and well-



grounded authorization by the appropriate authority.

18.5. When termination is based on Items XII through XVII of this CLAUSE, without fault of the CONTRACTED PARTY, it shall be entitled to receive payments due for the performance of the CONTRACT up to the date of termination. Under no circumstances shall CONTRACTED PARTY be entitled to any indirect or consequential damages, including lost profits, due to termination.

18.6. Termination for failure to comply with contractual clauses shall cause any credits arising from the CONTRACT to be withheld up to the limits of the losses caused to the CONTRACTING PARTY, in addition to the sanctions provided for herein.

18.7. The notice of termination shall include, as appropriate:

18.7.1. Assessment of contract services provided and those that have been fully completed;

18.7.2. List of payments made and payments due; and

18.7.3. Indemnifications and fines.

19. CLAUSE – JURISDICTION AND CHOICE OF LAW

19.1. This Contract shall be construed and interpreted in accordance with the **principles** of Brazilian Law N° 8,666/93 and the Brazilian laws and regulations set forth in §19, and shall be governed by the laws of the District of Columbia, including the Uniform Commercial Code as adopted in the District of Columbia, without regard to any choice of law or conflict of laws doctrines that might otherwise be applied. The UN Convention on Contracts for the International Sale of Goods shall have no application to this Contract.

19.2. The parties hereto agree to make a diligent, good-faith attempt to amicably resolve all disputes before either party commences litigation pursuant to this Clause 18 of this Contract.

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

20. CLAUSE – SUBCONTRACTING

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



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

20.1.2. 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.

20.2. 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.

21. CLAUSE – CORRESPONDENCE AND NOTIFICATION

21.1. All correspondence, reports and notifications arising from the execution of this CONTRACT shall be made in writing and shall only be considered to be received by the CONTRACTING PARTY and the CONTRACTED PARTY, if delivered to the addresses indicated below by one party to the other party or to any other addresses that may be communicated by the PARTIES, throughout the term of this Contract.

CONTRACTING PARTY:

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON
Attn: Bidding and Contract Division
1701 22nd Street NW, Washington, D.C. 20008 - USA
Phone: 202/518-7359
Fax: 202/483-4684
E-mail: chf.dlc.cabw@fab.mil.br

CONTRACTED PARTY:

XXXXXXXXXX

22. CLAUSE – NUMBER OF THE COPIES

22.1. It is hereby agreed that this CONTRACT shall be issued in two (2) originals, with



same content and form, as follows:

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

22.1.2. (One) original for the CONTRACTED PARTY.

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

Washington DC, **XXXX**.

For the CONTRACTING PARTY:

Wilson Paulo Corrêa Marques, Col
BACW's Commanding Officer

For the CONTRACTED PARTY:

XXXXXX

WITNESSES:

Valdinei Fagundes de Souza, Col
Head of the BACW's Fiscal Division

Contract Monitor

WITNESSES for the CONTRACTED PARTY:

XXXXXXXXXX