INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 1 of 10

The BACW's Bidding Commission hereby present questions made by companies with their respective answers.

REMARK: The questions presented in this "Questions and Answers" shall be numbered as they are received by the Bidding Commission and may not match the numbering provided by the companies.

Therefore, the Bidding Commission has answered previous questions on July 6, 2017, July 25, 2017, July 26, 2017, July 28, 2017, and July 31, 2017 and they are published on BACW's website.

85. **Question** - Items 1.1.14 and 1.1.17 of IFB: How is dispatchability measured? Once operation is conducted by FAB, the Contracted Party will not have any control over the process. Please confirm that the Contracting Party when measuring "Dispachability" and "Availability" will only consider events caused by and/or attributed to the Contracted Party. We request that the Dispachability be reduced to 80% and the Availability to 65%, since their measure may be affected to events out of the control of both parties.

**Answer** – In accordance with item 1.1.15.1 of the Invitation for Bid (IFB), Dispatchability shall be measured as DP = (NM-INT)\*100/NM. The definitions of the terms of the calculation are presented on item 1.1.15 of the IFB.

The amounts for dispatchability and availability defined shall not be changes, as they represent the Brazilian Air Force need. Furthermore, they are established parameters for fleet in which the support is outsourced. In regards, to the way of calculating the indicators (results), the SILOMS shall provide specific indicators in other to meet the demand. Those indicators are to be defined between the parties after the contract is signed.

Furthermore, in accordance of item 2.4 of the IFB, Dispatchability shall be equal or greater than 90% and Availability of-or greater than 80%. The desired levels presented in the IFB and related documents are based on the necessities of the Brazilian Air Force Command (COMAER) and therefore cannot be changed.

86. **Question** - Item 1.1.17.2 of IFB. Please revise the formula, which may not be correct (there are two equal signs).

**Answer** – The Bidding Commission appreciates this questions and informs the correct formula to be used. **DO=SDDP** \* **100** / **(NAOP** \* **NDP)** \* **MTBM** / **(MTBM** + **MDT).** Furthermore, and notice of correction is issued for the 2<sup>nd</sup> Republishing of the Invitation For Bid.

87. **Question -** Item 7.11.1 of IFB: This item refers to initial training only. What about the recurrent trainings? Will they be contracted directly by the Contracting Party?

**Answer** – The prices presented for item 7.11.1 of the IFB shall reflect the initial training on the first 12 months of contract execution. Recurrent training will be contracted as needed, through a different process.

INVITATION FOR BID - Q&A Updated on August 3, 2017at 2:00pm (BID -170623/CABW/2017)

88. Question - Item 1.2.4.1 of the Basic Project: Please confirm that, in the circumstances when maintenance is performed by the Contracting Party, the events associated with such maintenance will not be considered in the calculation of the "Dispachability" / "Availability" indicators. Please confirm that when the Contracting Party performs maintenance the Flight Hour cost will remain unaltered.

Answer - The SILOMS shall provide specific indicators in other to meet the demand. Those indicators are to be defined between the parties after the contract is signed.

- 89. Question - Item 3.2.2 of the Basic Project: What does interior configuration stand for (i.e. number and disposition of passenger's seats, toilets configuration)?
- Answer The Interior configuration includes all the sub items of item 3.3 of the Basic Project. Furthermore, it is reinforced the need of the same disposition of the cabin items for all the aircraft.
- 90. Question - Item 3.3.8 of the Basic Project: Please eliminate this requirement. It is not crucial for the leased aircraft to take off with maximum endurance and payload at Santos Dumont airport, since: (a) the aircraft main base is located at Brasília, location where the majority of the missions will originate; (b) most of the flights may not require both maximum endurance and payload; and (c) when necessary, the aircraft could operate out of Galeão Airport.

Answer - The requirement presented in the IFB and related documents is based on the necessities of the Brazilian Air Force Command (COMAER) and therefore cannot be changed.

91. Question - Item 3.3.12 of the Basic Project: Please eliminate this requirement. The flight data recorder is not a mandatory equipment for the operation of the leased aircraft since this equipment is not required for airplanes of this category whose number of passenger's seat is less than nine in accordance with current aviation regulations.

Answer - The requirement presented in the IFB and related documents is based on the necessities of the Brazilian Air Force Command (COMAER) and therefore cannot be changed.

92. Question - Items 4.2.1.1.5 and 4.2.1.1.5.1. of the Basic Project: If the lessor is a company established in a country that is not Brazil, the aircraft shall be imported into Brazil by FAB, as lessee and operator. Please confirm that in such circumstance, FAB will import the aircraft under the temporary admission regime, clearing customs as the importer and the Contracted Party will bear the expenses related to the ferry flight from the aircraft current location until the delivery location (Brasília, Brazil) and assist FAB in clearing customs. Please clarify how the temporary export regime (item 4.2.1.1.5.1) may be applied.

Answer – In accordance with the Item 4.2.1.1.5, the CONTRACTED PARTY must deliver the aircraft after custom clearance, in Brazil, at GTE facilities, in accordance with INCOTERM DDP.

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 3 of 10

Furthermore, if any interested parties have any question regarding the temporary export regime, it should access the website for the Brazilian Custom Clearance agency (RFB) http://idg.receita.fazenda.gov.br/orientacao/aduaneira/manuais/admissao-temporaria

- 93. **Question** Item 4.2.1.3.3 of the Basic Project: In case of any damage to the leased aircraft due to the misuse by Contracting Party, will the related costs be borne by the Contracting Party? **Answer** The main motivation of the text from item 4.2.1.3.3 is to assure that no cost of recertification would apply at the end of the Contract for the Brazilian Air Force. Damages caused by the use of the aircraft are foreseen on items 4.2.2.1, 4.2.2.3, 13.1.11.2, 13.1.13 e 4.2.4.7.1, being the last item the specific answer for the company's question.
- Question Item 4.2.2 of the Basic Project: what is the concept of "Seguro aeronáutico total"? Does it comprise only the hull insurance or does it also comprise the liability insurance and war coverage? If the answer is yes for the liability and coverage, what is the coverage amount? What does it mean "qualquer prejuízo sofrido" and "responsabilidades legais"? Does is it mean that a liability insurance is required? What does it means "atos danosos praticados por terceiros? Does is it mean that a war insurance is required? Please confirm that the lessor will be the loss payee under the hull insurance and insured in the liability insurance and war coverage. Please confirm that the lessor will be the insured party and the Brazilian Air Force will be included as additional insured of the insurance policy.

Answer – The question regarding liability is answered on item 4.2.2.1 of the Basic Project, in which deals with "legal expenses incurred". The coverage in case of war excluded on item 4.2.2.5.5, which deals with the exclusion of insurance in case of "war, invasion …". The question in regards to the amount of the indemnities is answered on item 4.2.2.2. The company, owner of the aircraft, will be the beneficiary of the insurance, and the Brazilian Air Force included as additional insured.

- 95. **Question** Item 4.2.3.3 of the Basic Project: If the number of pilots to be trained increases can the Contracted Party charge additional training costs to the Contracting Party? **Answer** Yes. In accordance with item 4.2.3.2.1 of the Basic Project, "Should these numbers be met upon contract signature, the CONTRACTED PARTY must nevertheless be prepared to implement changes to these numbers, as well as to student list." Furthermore, in accordance with item 14.3.1 of the Basic Project, "the costs associated with each training event must be presented, upon proposal delivery, through the table provided below, for the purpose of being applied during the performance of the activities described in Module 3."
- 96. **Question** Item 4.2.3.4.1 of the Basic Project: How many pilots must be trained prior to the delivery of the aircraft? Please clarify if they shall only have the initial training at the start of the Contract and will not require annual recurrent training thereafter.

**Answer** – The Basic Project foresees only the initial training of pilots. Therefore, any additional training shall be treated as an amendment to the Contract, or they will be contracted in another hiring.



97. **Question** - Item 4.2.4.1.12.2 of the Basic Project: Please specify the minimum material stock. Please clarify if the parts can be stored at the Contracted Party's premises.

**Answer** – In accordance with item 4.2.4.1.12.2. "The CONTRACTING PART shall reserve space in the Hangar at the OM hosting GTE to maintain a minimum material and component stock by the CONTRACTED PARTY, for the purpose of maximizing Aircraft availability and dispatchability."

The objective of the text of item 4.2.4.1.12.2 is to provide an space where the CONTRACTED PARTY **may** storage materials for the immediate application or as a anticipation of any maintenance activity to be performed at the CONTRACTING PARTY facilities. The CONTRACTED PARTY may opt to storage these application materials outside the Brazilian Air Force's Military Organization, however; the storage costs may generate an increase on MODULE 4, decreasing the competitiveness of the company in the solicitation.

- 98. **Question** Item 4.2.4.1.7 of the Basic Project: Please confirm that the operation of a hard Time or On Condition part shall always be within its limits and not within 20% operational margin.
- **Answer** The objective of item 4.2.4.1.7 is to assure that none of the controlled items will be used after its limit. The provoked communication will allow the CONTRACTING PARTY to follow the CONTRACTED PARTY's maintenance plan, causing mitigating actions in case any item that is kept in operation beyond the 20% margin presents a failure.
- 99. **Question** Item 4.2.4.2.9 of the Basic Project: Please confirm that expenses associated with ferry flights for maintenance services when such maintenance services are related to the incorrect operation of the aircraft or damages to the aircraft caused by the Contracting Party shall be borne by the Contracting Party.

Answer – All the movement of the aircraft for the performance of any maintenance service shall be performed by the CONTRACTED PARTY, as a mean to assure that other costs related to the activity, such as fuel, lubricating, personal expenses and eventual flight tickets of the return of the crew, in case of maintenance abroad, do not provoke delays or difficulties in the maintenance performance, in case the CONTRACTING PARTY does not have extra contractual budget necessary to pay for those expenses.

100. **Question** - Item 4.2.4.2.9.2 of the Basic Project: Please confirm that the Contracting Party shall bear the expenses associated with the ferry flight of the aircraft to maintenance facilities located outside of Brazil.

**Answer** – It is not possible to assure that the CONTRACTING PARTY will allocate extra-contract budget necessary to the performance of maintenance abroad. In this way, the objective of the item 4.2.4.2.9.2 is to assure that the maintenance services do not cease to be performed due to budget limitations, not directly related to the Contract.

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 5 of 10

101. **Question -** Item 4.2.4.3.5 of the Basic Project: Please clarify the meaning of compatibility with SILOMS system. Which compatibility level is required? Full-automated integration?

**Answer** – The CONTRACTED PARTY will not be obligated to completely and automated integrate the SILOMS. However, the CONTRACTED PARTY shall appoint CONTRACTED PARTY'S qualified professionals to receive training to operate SILOMS. These professionals will feed the System with the aircraft data, as well as will interact with the development team from SILOMS, in the sense of establishing specific data format for the creation of routines for integration by the SILOMS' development team.

102. **Question -** Item 4.2.4.4.1 (a) and (b) of the Basic Project: Please provide an explanation on the assistance support program. Which format should it be set up?

**Answer** – All the sub-items from item 4.2.4.4.1 are standards in the Brazilian Air Force logistic support contracts. Sub-item a) can be called as "on-call support", sub-item b) assures that the level of maintenance to be executed by the CONTRACTING PARTY follows rigorously the foreseen aircraft manufacture procedures and the operational policies of the CONTRACTED PARTY, with the supply of standardized check-lists to be follow in the mentioned maintenance activities.

103. **Question -** Item 4.2.4.4.1 (d) of the Basic Project: Once there is no mandatory regulation for such monitoring, please eliminate such requirement.

**Answer -** The requirement presented in the IFB and related documents is based on the necessities of the Brazilian Air Force Command (COMAER) and therefore cannot be changed.

Even though there are no regulations yet to obligate the engine monitoring, the best practices of maintenance indicate that the monitoring of tendencies, exceedances and performance of the aviation engines allow the optimized use of those engines, as already in practice by the Brazilian Air Force on its owned fleet.

104. **Question** - Item 4.2.4.4.1 (e) and (f) of the Basic Project: Please provide an explanation on how the aircraft performance will be monitored, since they will be operated by the Contracting Party.

**Answer** – The existing systems in modern aircrafts have some kind of monitoring, either by the installation of equipment for record of parameters, or by the use of the equipment resources. As an example, it is mentioned the Garmin G1000 system, which is able to record the operational data of the aircraft and all the systems connected to theirs LRU in a secondary SD card, allowing the reading and analysis of the parameters after the flights.

105. **Question** - Item 4.2.4.4.1 (g) of the Basic Project: Please provide an explanation on reliability analysis. How should it be implemented?

**Answer** – The reliability analysis shall be performed for each vital aircraft system such as engines, landing gear, and etc. in accordance with the methodologies for each system. As a suggestion, the CONTRACTED PARTY should check with the manufacturer of the aircraft and/or equipment used in these

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 6 of 10

systems in order to establish a model to be presented between the contract signature and the delivery of the first aircraft.

106. **Question** - Item 4.2.4.5.1 of the Basic Project: How will the parties coordinate the utilization of support equipment when the Contracting Party performs its own maintenance services? Shall the Contracted Party furnish any maintenance equipment to the Contracting Party?

**Answer** – The necessary equipment for the performance of maintenance activities foreseen on item 1.2.4 of the BASIC PROJECT shall be supplied by the CONTRACTED PARTY, in accordance with a list to be provided by the CONTRACTED PARTY.

All equipment to be used in the CONTRACTED PARTY facilities or its subcontractor shall be in CONTRACTED PARTY exclusively responsibility. The equipment occasionally supplied to the CONTRACTING PARTY will stay as CONTRACTED PARTY property, which shall be responsible for the good functioning and calibrations eventually needed. Those equipment will return to the CONTRACTED PARTY after the conclusion of the CONTRACT.

107. **Question** - Item 6.4.9 of the Basic Project: Please provide an explanation on the format of the verification report of the quality system. What its content should be?

**Answer** – The report format shall be defined after the Contract signature, assuring that it will present the necessary information to the verification of subcontractor's capacity.

108. **Question** - Item 9.8.2 of the Basic Project: Please clarify what the Guarantee concept is, as applied to the 'Module 4'.

**Answer** – The item 9.8.2 of the Basic Project only reassures that all the conceptual description of Module 4 already includes the concept of guaranty, since the guaranty of application of original items from the manufacturer, recertification guaranty at the conclusion of the contract, guaranty of traceability of services performed in reparable items, and etc.

109. **Question** - Item 10 of the Basic Project: Please provide an explanation on the concept of Technical Assistance (i.e. which kind of service is involved).

**Answer** – Item 10.1 of the Basic Project establishes that the CONTRACTED PARTY commits to giving the CONTRACTING PARTY "all required administrative and technical assistance to give the work a convenient pace." Based on that, it is clear that the CONTRACTED PARTY is responsible to fulfill the CONTRACTING PARTY demands in time, either for the supply of information, aircraft spare parts, planning data, engine monitoring and other systems, among other demands related to the safe operation of aircraft.

110. **Question** - Item 10.2 of the Basic Project: Please clarify if the terms imposed refer to the time necessary to dispatch a team for technical assistance, or the time to solve the reported problem that requires technical assistance.

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 7 of 10

**Answer** – Item 10.2 of the Basic Project deals with the definition of the problem to be solved for the aircraft to return to available status. This will be the deadline for the CONTRACTED PARTY to submit to the CONTRACTING PARTY a brief report of the problem, indicating the materials to be supplied and services to be performed. From this time on, the deadlines set forth in item 4.2.4.1.11 of the Basic Project must be observed, in order to provide the materials necessary for the aircraft to be made available. If the reported problem points to the need for more time for its solution, the unavoidable impact on availability and dispatchability, attributable to the CONTRACTED PARTY as set forth in items 3.1.2 of the Basic Project and 3.1.3 of the Basic Project, must be observed.

- 111. **Question** Item 11.2.3 of the Basic Project: Does the 5 days term refer to the time to complete the pre flight inspection or to solve any discrepancy associated to the pre flight inspection? **Answer** The deadline referred to in item 11.2.3 of the Basic Project refers to the time to solve any discrepancies noted in the receipt inspection post-maintenance.
- 112. **Question** Item 13.1.14 of the Basic Project: Please confirm that the cost to replace, repair or restore a missed or damaged item should be borne by the Contracted Party only to the extent the responsibility for the missing or damaged item is from the Contracted Party.

**Answer** – Item 13.1.14 of the Basic Project clarifies that the CONTRACTED PARTY is responsible for the maintenance of the aircraft throughout the contract, so that any non-compliance that interferes with the safe operation of the aircraft or prevent its recertification at the end of the contract shall be resolved by the CONTRACTED PARTY.

113. **Question** - Item 13.1.20 of the Basic Project: What Contracting Party's material should be stored at the Contracted Party's facilities?

**Answer** – The text only regards with the possibility that some material from the Brazilian Air Force could be delivered to the CONTRACTED PARTY, and not an effective shipment of materials

- 114. **Question** Could BACW please clarify if the reference "1.2.4.1" mentioned on item "4.2.4.1.1" indeed means item "1.2.4.", as they are related to the consumable materials? **Answer** The text correctly refers to item 1.2.4, not to item 1.2.4.1.
- 115. **Question** Regarding items 3.1.3, 4.2.4.1.11 and 10.2 of the Basic Project, please confirm if the bidder may offer to lease five aircraft for the same lease price related to four aircraft in order to guarantee the required availability in the future contract? The fifth aircraft would serve as a backup aircraft to maintain the required availability?

**Answer** – The participating company may have as many aircraft as it deems necessary to maintain the availability and dispatchability targets, as well as the deadlines for supply of materials and service, but it should be noted the impact that this initiative may cause in the total value of the contract, as well as the

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 8 of 10

need for these aircraft to continue to meet the requirements of items 3.2 and 3.3, of the Basic Project, with their subitems.

116. **Question** - Taking as reference item 7.11 (BID - 170623), 4.2.3 (Basic Project Plan) and Attachment II ("...the TRAINING of pilots and mechanics required for..."), Could BACW please clarify if training for mechanics is part of Module 3 - Training, and in case of "yes", what is the specification of such training and the quantities of them?.

**Answer** – The training of the maintenance teams should only achieve the activities foreseen in item 1.2.4 of the Basic Project and may be performed in the form of on-job-training, distance learning (EAD) or in class training in a training center indicated by the CONTRACTED PARTY. The decision by which type of teaching will be bidder's responsibility, but it should be taken into account that the maintenance teams of the GTE and its supporting Military Organization have extensive experience in the operation of several models of aircraft for passenger transport, whether fixed-wing or rotating-wing, and that the training, at the discretion of the CONTRACTOR, may only address the outstanding aspects in performing the activities of item 1.2.4 on the aircraft provided, ensuring the safe operation of the aircraft.

- 117. **Question** "In relation to the documents required in item 6.3 regarding the technical qualification, item 6.3.1 states the following:
- a) "6.3.1 Proof of possession or ownership of Aircraft to be leased throughout the contract, by presenting the relevant document, as per the country's Aeronautical Authority, with validity extending throughout contractual duration". In this item it is clear the explanation that the Bidder must prove that it owns the possession or property of the aircraft to be made available. Thus it is evident the possibility of proving the possession of the Aircraft to be offered presenting any document that proves the Bidder's possession and that is accepted by the Aeronautical Authority of the country.

However, item 6.3.1.1. states the following:

b) "6.3.1.1. – Submission of pre-contractual aircraft leasing may be accepted at the bid; however, the winning bidder must present signed contract before execution of this instrument.

The Bidder question is with regard to item 6.3.1.1, mainly when mentioning that there is provision for the acceptance of a pre-contract, that is:

Could BACW please to confirm that the Bidder will be authorized to offer airplanes under its possession proving ownership through an existing lease pre-contract between the Bidder and a third party who would be the owner of those Aircraft and after the award of the object of this BID to this Bidder, the leasing contract would be effective with the possibility of a subleasing for the CONTRACTING PARTY?

**Answer** – Item 6.4.1 of the Basic Project indicates that only Modules 2, 3 and 4 can be subcontracted, which excludes the subcontracting of Module 1 for the aircraft lease.

It is emphasized that if a pre-leasing contract with a third party makes it clear that the bidder will have ownership of the aircraft after the final signing of the lease with the third party, there will be no problem accepting this document as proof of ownership of the aircraft.

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 9 of 10

118. **Question** - On item 3.3.6 of the Basic Project Plan, it is mentioned that the aircraft shall have, at least, a range of 1,100 nm, plus 45 min holding. However, it was not mentioned in which configuration - such as Takeoff Weight,  $N^o$  pax, ISA, Altitude - this range shall be fullfilled. Could BACW please provide in which configuration aircraft shall fullfillthe range of 1,100 nm, plus 45 min holdings?

Answer – The 1,100 NM range is expected to be obtained with 6 passengers, full fuel, above FL250.

- 119. **Question** The Bidder has understood that Item 4.2.4.1.11 of the Basic Project does not meet market standards for deadline of exchange of components. Could BACW consider the following adjustment to the wording of this item?
- "4.2.4.1.11. O prazo máximo para entrega de novos componentes, exceto os relacionados a motores, principalmente se tratando de AOG, a contar do recebimento pela CONTRATADA da solicitação formal feita pela CONTRATANTE, é de:
- a. Aeronave em sede: 02 (dois) dias;
- b. Aeronave em aeródromos domésticos servidos pela aviação comercial regular: 02 (dois) dias;
- c. Aeronave em aeródromos domésticos não servidos pela aviação comercial regular, incluindo aeródromos de uso exclusivo militar: 03 (três) dias; e
- d. Aeronave em aeródromos internacionais: 05 (cinco) dias, sendo que este período de tempo poderá variar em função das condições do aeroporto e dos voos regulares para o país em que o material deva ser enviado. Neste caso, a CONTRATADA deverá encaminhar formalmente à CONTRATANTE as razões e os procedimentos adotados para a solução do problema."
- **Answer** The established deadlines were based on FAB's experience in supporting its fleet, considering that all items are stored near airports with large transit. For this reason, parameters for the supply strategy were presented in item 4.2.4.1.12 and its sub-items, including the possibility of storage of material in the Military Organization that hosts the GTE, in item 4.2.4.1.12.2 of the Basic Project
- 120. **Question** Reference: Questions and Answer from July 25, 2017 #12: "Please confirm that training for mechanics shall not be considered in the bidder proposal and shall not be an obligation of the Contracted Party" Please refer to Section 2.1 of the Invitation for Bid ("IFB") which describes the object of the Bidding Process as the contracting of a company in the Executive Aviation field to provide ongoing services for the lease of 4 (four) executive transportation jet engine aircraft, to include aircraft insurance, logistic support of part maintenance and the **training of pilots and mechanics**... The same references to **training of pilots and mechanics** are repeated in item 3 of "Projeto Básico" and in the preamble and in Clause 2 of the Contract Draft, Annex III of the IFB.

**Answer** – The training of the maintenance teams should only achieve the activities foreseen in item 1.2.4 of the Basic Project and may be performed in the form of on-job-training, distance learning (EAD) or in class training in a training center indicated by the CONTRACTED PARTY. The decision by which type of teaching will be bidder's responsibility, but it should be taken into account that the maintenance

INVITATION FOR BID – Q&A Updated on August 3, 2017at 2:00pm (BID –170623/CABW/2017) PAGE 10 of 10

teams of the GTE and its supporting Military Organization have extensive experience in the operation of several models of aircraft for passenger transport, whether fixed-wing or rotating-wing, and that the training, at the discretion of the CONTRACTOR, may only address the outstanding aspects in performing the activities of item 1.2.4 on the aircraft provided, ensuring the safe operation of the aircraft.

121. **Question** – Reference: Questions and Answer from July 25, 2017 #20: (Answer: In accordance with the items 6.1.6 and 6.1.10 of the Contract Draft, Annex III of the IFB, The CONTRACTED PARTY is bounded to: "6.1.6. Take responsibility, additionally, for any damages caused directly to the CONTRACTING PARTY, further to the performance of services by the CONTRACTED PARTY's employees, or appointed agents;" and "6.1.10. Accept civil responsibility associated with any and all materials or damages caused by any action or omission by the CONTRACTED PARTY'S employees or contractors, workers, agents or representatives, whether intentionally or not, before the Aeronautical Command or third parties;" Based on that, this Bidding Commission understands that the items as self-explanatory in regards to the question presented. Therefore, the company may, at its own discretion, rewrite its concern in order to fully demonstrate the question.)

Items 6.1.6 and 6.1.10 of the Contract Draft, Annex III of the IFB describe the liability of the Contracted Party for damages caused to the Contracting Parties and/or to third parties. The previous question required confirmation that such liability will only arise in the case of gross negligence and/or willful misconduct of the Contracted Party as per Article 70, of Law 8,666/1993:

Article 70. The contractor is liable for damages caused directly to the administration or third parties arising from their negligence or willful misconduct in performing the contract, not excluding or reducing the liability supervision or monitoring by the body concerned.

Please confirm that the Contracted Party liability for damages caused to the Contracting Parties and/or to third parties will only arise in the case of gross negligence and/or willful misconduct of the Contracted Party as per Article 70, of Law 8,666/1993.

**Answer** – Due to the specific legal interpretation of the text by the bidder, this question was forwarded to BACW's outside legal counsel. Based on that, the Bidding Commission states that the bidder's interpretation and translation of Art. 70 of the Brazilian Law 8.666 from 1993 is <u>incorrect</u>, as Art. 70 does not limit liability to cases involving gross negligence and/or willful misconduct. Therefore, the BACW does not limit possible CONTRACTED PARTY liability to gross negligence and/or willful misconduct. The language of the Contract Draft, Annex III of the IFB is not changed.

Furthermore, the Brazilian Aeronautical Commission appreciates the question, and stands available to clarify and explain any doubts or concerns in order to increase the BID quality. Any questions or concerns must be submitted to *con@cabw.org* 

Note: This information has been made available at BACW website in the publishing for the related Bidding Process. http://www.cabwnews.com/index.php/solicitations.html