



## FEDERAL PUBLIC SERVICE

## MINISTRY OF JUSTICE AND PUBLIC SECURITY – MJSP – FEDERAL POLICE

SERVICE OF CONTROL OF POLICE LOGISTICS – DEPARTMENT OF PLANNING AND  
 CONTROL OF POLICE LOGISTICS/GENERAL COORDINATION FOR PLANNING,  
 MONITORING, AND ASSESSMENT/DEPARTMENT OF LOGISTICS/FEDERAL POLICE –  
 SECOL/DPC/CGPLAM/DLOG/PF

BIDDING PROCESS. TERMS OF REFERENCE NO. 13121914/2019-  
 SECOL/DPC/CGPLAM/DLOG/PF

Proceeding No. 08200.009805/2018-10

**1. OBJECT**

- 1.1. Acquisition of nineteen thousand and fifty-five (19,055) bulletproof vests for police use with III-A protection level (bulletproof panels, tactical modular vests by the international modular standard “MOLLE System”, and transport pack) as detailed in the tables below.

Managing Body: Federal Police						
ITEM	DESCRIPTION/SPECIFICATION	UNIT	AMOUNT	REFERENCE PRICE (BRL)	UNIT	REFERENCE TOTAL AMOUNT (BRL)
1	Level III-A Tactical Bulletproof Vest (Modular Vests, Panels, and Transport Packs)	Unit	2,590	2,670.00		6,915,300.00

Participating Body: Federal Highway Patrol						
ITEM	DESCRIPTION/SPECIFICATION	UNIT	AMOUNT	REFERENCE PRICE (BRL)	UNIT	REFERENCE TOTAL AMOUNT (BRL)
1	Level III-A Tactical Bulletproof Vest (Modular Vests, Panels, and Transport Packs)	Unit	14,408	2,670.00		38,469,360.00

Participating Body: Military Police of the Federal District						
ITEM	DESCRIPTION/SPECIFICATION	UNIT	AMOUNT	REFERENCE PRICE (BRL)	UNIT	REFERENCE TOTAL AMOUNT (BRL)
1	Level III-A Tactical Bulletproof Vest (Modular Vests, Panels, and Transport Packs)	Unit	2,057	2,670.00		5,492,190.00

- 1.2. The system adopted shall be Price Registration, as the acquisition of this object will benefit more than one body (item III, Art. 3, DECREE NO. 7,892 OF JANUARY 23, 2013). Additionally, the bulletproof vests shall be purchased gradually according to the lifespan of the old vests, which are different, admission date of new civil servants, which is unknown, and the eventual need for replacement of the current vests for reasons of loss/theft/misplacement/deterioration/holes, i.e., the demand is unpredictable, making it necessary to purchase them gradually rather than at once.

- 1.3. The award criterion shall be global, as it is necessary that the vests are supplied by a single company, since there would be a risk of lack of standardization in case several companies manufacture each vest size separately. There would also be a risk of loss of economies of scale, due to the fact that each size represents reduced amounts in comparison with the total amount.
- 1.4. The manufacturing of panels, modular vests, and packs, on its turn, shall be carried out as a whole, considering that, separately, there would be a risk of incompatibility of sizes manufactured, which is possible during the process of manufacturing these components and could negatively affect the quality of the purchase.
- 1.5. The costs shall be detailed in a spreadsheet, as shown in the PRICE PROPOSAL TEMPLATE (ANNEX IV of these Terms of Reference (TR) – Electronic Information System (SEI) No. 13123041/13123157, considering that the bids submitted by foreign bidders shall be subject to the encumbrances arising from the same taxes levied exclusively on the Brazilian bidders regarding the final sale operation, according to Art. 42, paragraph 4, of LAW NO. 8,666 OF JUNE 21, 1993.
- 1.6. Foreign bidders shall compute the amount of international transport insurance, international freight and customs clearance, and other costs, taxes, and fees applicable, considering the International Commercial Terms – INCOTERMS 2010 – Carriage and Insurance Paid to... (CIP) – National Police Academy – Address: Rodovia DF 001 KM – 02, Setor Habitacional Taquari – Lago Norte, Zip Code: 71559-900, Brasília – DF, Brazil.
- 1.7. The relevant sizes submitted are a reference, which parameter is the geometry of the bulletproof panel of the vests submitted under the Technical Specifications of these terms of reference, and the measurements of each police officer are forwarded by the contracted party, according to data from the Measurement System of the Federal Police, to be forwarded to the winning company upon issue of the Supply Order.
  - 1.7.1. We suggest the use of at least eight (8) sizes for purposes of compatibility of the item above.
- 1.8. The colors, embroideries, badges, and logos shall be registered as established in the TECHNICAL SPECIFICATIONS OF THE BULLETPROOF VESTS (ANNEX I of these TR – SEI No. 13122134/13122581) of the Managing Body (FEDERAL POLICE), and the winning bidder is required to observe the visual identities of the other participating bodies.
- 1.9. No quota of up to twenty-five percent (25%) of the object was established for the engagement of micro-enterprises and small-sized companies, pursuant to the assumption provided for in Art. 48, item III, of COMPLEMENTARY LAW NO. 123 OF DECEMBER 14, 2006, as amended by COMPLEMENTARY LAW NO. 147 OF AUGUST 7, 2014, considering the lack of three competitive suppliers classified as micro-enterprise (ME) or Small-Sized Company (EPP) headquartered locally or regionally and able to meet the requirements established in this request for proposal, as provided for in Art. 49, item II, of such Complementary Law, together with Art. 10, item I, of DECREE NO. 8,538 OF OCTOBER 6, 2015.
- 1.10. The supplier shall meet all Brazilian legal requirements, as well as safety and quality standards of the goods pursuant to the United States standard of the National Institute of Justice – NIJ STANDARD 0101.06.
- 1.11. The term of the engagement is twelve (12) months of the execution of the contract, extendable pursuant to Art. 57, paragraph 1, of LAW NO. 8,666 OF JUNE 21, 1993.

- 1.12. The term between publication of the Invitation to Bid and the Opening of the Trading Session shall be thirty (30) days.

## **2. JUSTIFICATION AND PURPOSE OF THE CONTRACT**

- 2.1. The Federal Police, created by law as a permanent governmental body, organized and maintained by the Federal Government, an integral part of the basic structure of the Ministry of Justice and Public Security, aims at exercising the powers set forth in paragraph 1 of art. 144 of the CONSTITUTION OF THE FEDERATIVE REPUBLIC OF BRAZIL OF 1988, and other applicable legal and regulatory provisions, and is intended to:
- 2.1.1. investigate criminal offenses against the political and social order;
  - 2.1.2. investigate criminal offenses committed to the prejudice of goods, services, and interests of the Federal Government or its autonomous entities and governmental entities;
  - 2.1.3. investigate other criminal offenses which practice has interstate or international repercussion and demands uniform repression, as provided by law;
  - 2.1.4. prevent and curb the illicit trafficking of narcotics and similar drugs;
  - 2.1.5. prevent and curb smuggling and duty evasion, without prejudice to the actions of the tax authorities and other public bodies in their respective jurisdictions;
  - 2.1.6. carry out the duties of the water, airport, and borders police; and
  - 2.1.7. exclusively carry out the Federal Government judiciary police duties.
- 2.2. Today, the Federal Police is an institution with substantial credibility among the population, and it is one of the main positive references of state action. However, measures that duly equip and identify the police officers are necessary to keep these levels of approval and confidence so that they may act in a standardized manner, similarly throughout the national territory.
- 2.3. The use of bulletproof vests reduces the danger of death in missions and identifies the federal police officers in the performance of their duties, directly cooperating in the security and success of the action. It is also worth mentioning that the visual identification provides positive references to the population about operations carried out by the institution, and, consequently, it is essential for the success of its legal duties and for the enhancement of the image of the Brazilian Government before the citizens.
- 2.4. In addition to the security of the police officers, using the vests during operations, many of which have continuous and long lapses of time, provides a minimum wellness of the federal police officers while carrying out their duties, and it must include the technology necessary for mitigating thermal discomfort, making mobility easier, and not hindering the use due to excess of weight.
- 2.5. In order to be capable of accomplishing its institutional missions, it is imperative that the Federal Police is duly provided with trained and equipped human resources. Complete, efficient, and quality equipment means not only a successful mission, but also protection of the police officer's life.
- 2.6. According to the Brazilian Public Security Yearbook, the number of deaths of police officers in Brazil increased over the last few years, with about 721 police officers killed on duty and 1,822 killed off duty until 2015.

- 2.7. In the several operations conducted by the Federal Police, police officers often face situations with real risk of death, and bulletproof vests are the main personal protective and security equipment, as it protects its user's vital organs.
- 2.8. The acquisition of the bulletproof vests, which is the subject matter of these Terms of Reference, shall meet the needs of the federal police officers throughout Brazil, given the imminent end of the lifespan of the bulletproof fabrics and panels (October 2019, according to SEI Preliminary Study No. 10200294), as well as the number of police officers to be appointed through a Public Sector Recruitment Examination, Invitation to Bid No. 1 – GENERAL POLICE DEPARTMENT OF THE FEDERAL POLICE – DGP/PF, OF JUNE 14, 2018.
- 2.9. In order to provide greater comfort and efficiency in such ballistic protection, we chose the "MOLLE System" tactical modular vest, as it has configuration options (addition or removal of accessories, as well as their arrangement in the bulletproof vest) according to the specificities of each mission (adaptability of the equipment to the function to be performed by the police officer, to the operational scenario, and the type of weaponry used).
- 2.10. For comfort, the vests acquired must take into account the climatic aspects of a continental country, the violence seen in the society, the comfort of the officer (weight and flexibility of the vest), the security/protection that the equipment provides (protection area x mobility), strength and durability (economy), warranty, usability (adequate environments), among others.
- 2.11. Regarding efficiency, it is essential that the federal police officers wear bulletproof vests to accomplish their missions successfully. In practice, we noticed that uncomfortable, inflexible, heavy vests that lead to inappropriate thermal sensations are "put aside" or forgotten by the police officers. It is not unusual to see federal police officers wearing the vests in the beginning of their operations and, by the end of the operation, these vests are inside their vehicles' trunks.
- 2.12. In Brazil, the use of bulletproof vests is regulated by the Army, which follows the standardization established by the National Institute of Justice of the United States – NIJ, adopting six protection levels (I, II-A, II, III-A, III, and IV) for vests.
- 2.13. After studies were carried out by the Federal Police technical department, protection level III-A was the best suited to the institution's needs, providing the police officer with protection against the most powerful and fastest handguns (.357 and .44 Magnum), which are threats that they may experience on a daily basis.
- 2.14. Level III-A vests are recommended and the most suitable for routine operations in which it is important to identify the police officers, such as inspections in risk areas, triggering of operations, barriers, escorting prisoners, etc.
- 2.15. As we prioritize safety, flexibility, comfort, and quality of bulletproof vests for performing operating activities, the purchase of this object shall be based on the American ballistic quality and resistance standard, NIJ STANDARD 0101.06 – National Institute of Justice.
- 2.16. Thus, one should seek the perfect balance between purchasing a product that does not affect mobility and is comfortable to the point where police officers wear it in all their risk tasks, keeping them protected as effectively as possible.

- 2.17. The purpose of the international auction is to purchase equipment with higher quality, lower price, and that provides more security to federal police officers performing their duties, without disregarding the wide competition of companies that sell tactical bulletproof vests pursuant to NIJ 0101.06.
- 2.18. The purchase of bulletproof vests subject matter of these Terms of Reference is legally supported by LAW NO. 8,666, OF JUNE 21 OF 1993, LAW NO. 10,520 OF JULY 17, 2002, DECREE NO. 3,555 OF AUGUST 8, 2000, DECREE NO. 5,450 OF MAY 31, 2005, and DECREE NO. 9,847 OF JUNE 25, 2019.
- 2.19. The companies participating in the bidding process shall comply with the Brazilian standards of manufacturing, transportation, importation, and/or marketing of controlled products, as appropriate, according to the origin (national or international).
- 2.20. The justifications for participation of the other bodies can be found in documents SEI No. 11442176 and 12531274.

### **3. CLASSIFICATION OF COMMON GOODS**

- 3.1. The goods to be purchased are classified under LAW NO. 10,520 OF JULY 17, 2002, in its article 1, sole paragraph, as they are products which performance and quality standards may be objectively defined by the invitation to bid, through regular market specifications.

### **4. NEED FOR INTERNATIONAL AUCTION**

- 4.1. The use of bulletproof vests in missions is critical to increase the security of federal police officers performing their duties. The crisis in the Brazilian public security is widely reported, reaching death rates higher than those of countries at war. In this regard, the security officers shall use all available equipment that could reduce the chances of suffering traumas, bodily injuries, or losing their lives in actions for performance of institutional missions.
- 4.2. It was verified that the domestic market has been working to modernize the vests, both regarding the updated standard related to ballistic tests (migration of the standard of the National Institute of Justice of the United States – NIJ, from 0101.04 to 0101.06), and the quality of the products (outer modular vest and bulletproof panels), however, up to the date of preparation of these Terms of Reference, there was no Brazilian company with active models in the list of companies certified by standard NIJ 0101.06, according to a post in a NIJ's specialized website – "[https://www.justnet.org/compliant/ballistic\\_cpl.html](https://www.justnet.org/compliant/ballistic_cpl.html)."
- 4.3. The international market already can provide items compliant with NIJ Standard 0101.06, with technical possibility to provide vests with lighter and more flexible panels than those currently used by the federal police officers.
- 4.4. Additionally, the expansion of the supply market in the international bidding process is also a way of reducing costs for Public Administration, especially in the current scenario of economic and political crisis experienced by Brazilian society. There is a need to optimize financial resources in order to purchase quality goods and products at a lower cost. Accordingly, international bidding is a procedure in which the administration may purchase a quality product according to the specifications made in the object of these Terms of Reference with the possibility to have a larger number of companies and/or representatives participating in the process (expansion of competition), thus resulting in greater savings for the public treasury.

4.5. It is worth highlighting that the adoption of an international trading session shall bring the following advantages:

- 4.5.1. The possibility to acquire bulletproof equipment with advanced protection and quality levels, at competitive prices, aiming at the security of the federal police officers;
- 4.5.2. Possibility to reduce the value of the good to be acquired directly abroad, excluding the profit margin of importing companies, and
- 4.5.3. To increase competitiveness in the bidding process, given of the possibility to have a greater number of companies participating.

4.6. Also, the international trading session does not exclude national participants or participants with representation in Brazil.

4.7. Accordingly, for convenience and opportunity, we opted for the international auction.

## 5. ESTIMATED COSTS

5.1. The amount estimated for this acquisition is **fifty million, eight hundred and seventy-six thousand, eight hundred and fifty Reais** (BRL50,876,850.00) as detailed in the charts of the total reference values of sub-item 1.1 of these Terms of Reference, supported by the Price Comparison Report (SEI No. 12625606), Calculation Chart of the Price Comparison Report (SEI No. 12625618) and the Supplier Quotations (SEI No. 12625637).

## 6. CRITERIA OF ACCEPTANCE OF THE BID AND PREFERENCE MARGIN

6.1. The bidder ranked first in the bidding process shall submit the following:

6.1.1. Proof of technical capacity evidencing the supply of at least 30% of the total quantity of the object complying with, at least, III-A ballistic protection level and compatible with the other requirements provided for in these Terms of Reference.

6.1.1.1. A combination of certificates shall be accepted to prove the technical capacity in this item; provided that each of the certificates meets the minimum characteristics described, as established in this item, to ensure the manufacturer's capacity to produce and supply the material.

6.1.2. The bidder shall evidence the correspondence between the raw material of the vest template offered and the one contained in the vest manufacturer's Registration Deed or NIJ Certification 0101.06, through a declaration from the manufacturer and/or supplier of the bulletproof material used to manufacture bulletproof panels.

6.1.3. There shall be no preference margin for Brazilian companies over foreign companies due to lack of regulations in effect regarding the issue, for the product Bulletproof Vests.

6.1.4. Foreign companies with legal representation in Brazil shall have express powers to be served process and be administratively and judicially liable according to Art. 32, paragraph 4 and Art. 15 of Law 8,666/93, which provide that the eligibility requirements shall be met by equivalent documents, as far as possible, pursuant to the provisions of the Convention Abolishing the Requirement of Legalization for Foreign Public Documents, enacted by DECREE No. 8,660, OF JANUARY 29, 2016. The documents shall be verified by the auctioneer during the period for eligibility, pursuant to the laws and regulations, and it will be possible to perform diligences for verification as well.

6.1.4.1. The independent sales representation of Products Controlled by the Army should comply with the provisions in Logistical Command – COLOG Ordinance No. 56 of June 5, 2017 and in Law No. 4,886 of December 9, 1965.

6.1.5. Evidence of meeting of technical specifications provided for in item 3.10 of the TECHNICAL SPECIFICATIONS OF THE BULLETPROOF VESTS (ANNEX I of these TR – SEI No. 13123041/13123157) shall occur through laboratory reports confirming the characteristics of the materials and supplies used and in compliance with the legal rules listed in item 6.1.4. The laboratory responsible for the issue of the test report may not have any connection with the bidder.

6.1.6. The PRICE PROPOSAL MODEL (ANNEX IV of these TR – SEI No. 13123041) shall be duly filled out, including unit and total prices, fully expressed in Reais (BRL), sufficient to cover all obligations of the Contracted Party as defined in this Invitation to Bid, including all taxes on and other costs not listed, but applicable to the Bidder, including procedures for protection against foreign exchange variation (Hedge agreement).

6.1.7. All products controlled by the Brazilian Army, regarding manufacturing, use, import, clearance, traffic, marketing, and sales representation, should comply with the prevailing laws and regulations (Regulation for the Inspection of Controlled Products).

6.1.7.1. In case of import, the obtaining of an International Import Certificate (IIC) and an Import License (IL) from the Brazilian Army.

6.1.7.2. Domestic companies (in Brazil) shall also submit the following:

- a. Latest version of the specifications of the item assessed by the Assessment Center of the Army – CAEx (same version filed with CAEx);
- b. Experimental Technical Report (RETEx) and Technical Evaluation Report (RAT) apostilled by the Controlled Product Inspection Office – DFPC and issued by the Assessment Center of the Army – CAEx;
- c. Registration Deed (TR) or Registration Certificate (CR), with the relevant annotations of the business activity and the product;

6.1.8. The omitted cases shall be assessed in the scope of the bidding commission, which may eventually use efforts to verify whether the document submitted is in fact equivalent to the one produced in Brazil. Some countries may even not have a document equivalent to the one submitted by the Brazilian bidder.

6.2. They shall also submit four (4) samples of vests in different sizes, specifying the measurements of the persons they are intended for, consistent with the following sizes:

- one (1) sample for the size XS;
- one (1) sample for the size S; and
- two (2) samples for the size M.

- 6.2.1. Manufacturing and/or importation of samples by the bidding winner should comply with the rules and the submission of documents as described in item 6.1.7 of these Terms of Reference.
- 6.2.2. The samples shall be forwarded, within ten (10) days of the auctioneer's request, to the Division for Planning and Control of Police Logistics – DPC/CGPLAM/DLOG/PF – Headquarters of the Federal Police, Setor de Autarquias Sul, 10<sup>th</sup> floor, room No. 1012, in Brasília/DF. After the sample delivery, a date for tests will be scheduled.
- 6.2.3. The sample assessment criteria shall take into account factors about the minimum quality aspects and standards, consisting of four (4) tests, described in Annex II to this document:
- 6.2.3.1. Vest Fitting: verification of the fitting of the vest to the federal police officer's body when standing or sitting down – Type A Test;
- 6.2.3.2. Functionality Tests: verification of the federal police officer's ability to perform typical tasks of his/her occupation with no joint range of motion restriction whenever he/she is wearing the bulletproof vest – Type B Test;
- 6.2.3.3. Perforation and Backface Signature Tests: verification of the meeting of the perforation and backface signature (P-BFS) criteria – Type C Test. The company that submits the following shall be exempted from this test:
- Homologation Certificate of the vests, level III-A, from the National Institute of Justice – USA, NIJ standard 0101.06, related to the ballistic solution in question, and the document shall be accompanied by a publication in NIJ's Specialized Website – "[https://www.justnet.org/compliant/ballistic\\_cpl.html](https://www.justnet.org/compliant/ballistic_cpl.html)"; or
  - Full laboratory-generated ballistic report accredited by the National Institute of Justice – USA attesting full compliance with the test protocol specified in NIJ standard 0101.06 for level III-A, according to a list available at "<https://www.justnet.org/compliant/NIJ-approved-labs.html>".
- 6.2.3.4. Ballistic Limit: verification of the meeting of the ballistic limit (V50) criterion – Type D Test.
- 6.2.4. The procedures for assessment of the criteria of the samples shall be carried out through the tests detailed in Annex II – Tests in the Samples of the Bulletproof Vests, which shall be performed by professors of the National Police Academy – ANP/DGP/PF, for tests A and B; and by a ballistic laboratory capable of performing tests according to NIJ 0101.06, for tests C and D, at the expense of the bidder and accompanied by civil servants of the Federal Police.
- 6.2.5. The other bidders may follow up on the procedure of the type A, B, C, and D tests in the samples.
- 6.2.6. The laboratory where the type C and D tests will be performed shall be chosen at the Federal Police's discretion. The Public Administration shall be responsible for the monitoring of these tests by the civil servants of the Federal Police.
- 6.2.7. The package of the samples shall include information regarding its characteristics, such as manufacturing date, model, size, effective term, brand, reference number, product code; protection level, compliance standard, batch, and operating, handling, and preservation instructions.



- 6.2.8. The samples shall not include identification of the manufacturer. The tests shall be performed “blindly”, i.e., the brand of the vest used shall not be informed to the assessors.
- 6.2.9. The products submitted as sample may be opened, handled, disassembled, have cuts, cuts, sections or creases, be installed or connected to equipment and be submitted to the tests required.
- 6.2.10. The bidder’s samples will not be returned. They shall be withheld by the Federal police for purposes of comparison with the goods upon provisional acceptance if the company executes the contract.
- 6.2.11. If the company fails one of the tests, it will be disqualified.
- 6.2.12. The samples shall be analyzed by professors of the National Police Academy, who shall issue the report and results for tests A and B within three (3) business days.
  - 6.2.12.1. The report will show the procedures carried out, the methodology, and results for the samples: (1) Passed without reservations, (2) Passed with reservations, or (3) Failed.
  - 6.2.12.2. Passing without reservations shall only occur if the abovementioned reservations refer to the mere appearance (finishing details, color, and other items that do not raise uncertainty as to factors which inspections of the types A, B, C, and D aim to assess). The correction of the reservations and any adjustments shall be verified upon provisional acceptance.
- 6.2.13. The Federal Police team shall issue a report related to the conclusions of tests C and D, which result may be “passed” or “failed”, within three (3) business days of the date of availability of the Reports by the laboratory.
- 6.2.14. The proposal of the bidder that has failed one of the tests or the bidder that does not submit the samples for each of the sizes described shall not be accepted.
- 6.2.15. The submission of a counterfeit or a deteriorated sample as a true or perfect sample characterizes a disreputable behavior, punishable pursuant to this Terms of Reference.

## **7. DELIVERY AND CRITERIA FOR ACCEPTANCE OF THE GOODS**

- 7.1. The quantities shall be defined according to the Supply Orders issued by the Federal Police during the effective period, and the supply orders shall include details on gender and anthropometric measurements of the police officers, through the availability of the database obtained from the Measurement System of the Federal Police. The contracted party shall supply a table of sizes equivalent to the measurements provided, as well as other information related to manufacturing and delivery of the goods within the term established by these Terms of Reference.
- 7.2. The goods are received temporarily within sixty (60) calendar days of the later of the date of receipt of the Supply Order or the date of availability of the measurement data of the Measurement System of the Federal Police.
- 7.3. The Provisional Acceptance shall occur at the Winner’s factory with at least three (3) members of the contract acceptance team designated by DLOG/PF, for purposes of verification of compliance with the specifications included in these Terms of Reference, at the expense of Public Administration.

- 7.3.1. The manufacturer shall inform the estimated date of completion of production at least thirty (30) days in advance for purposes of organization/planning of the Acceptance Committee.
- 7.3.2. At the provisional acceptance, a comparative analysis between the vests submitted for acceptance and the samples used in the tests for acceptance of the proposal during the bidding process shall be performed.
- 7.3.3. If the bulletproof vests manufactured are not in compliance with the samples, the company shall be notified and replace the failed batch(es) within twenty (20) calendar days of the date of notice, at its own expense, without prejudice to the enforcement of administrative penalties.
- 7.3.4. At the moment of acceptance related to the inspection of item 7.3.2 above, the company shall submit, if it has not done so yet, a Homologation Certificate for the vests, level III-A, before the National Institute of Justice – USA, under standard NIJ 0101.06, related to the ballistic solution at stake, and such document should be accompanied by a publication on NIJ's Specialized Website – [https://www.justnet.org/compliant/ballistic\\_cpl.html](https://www.justnet.org/compliant/ballistic_cpl.html).
  - 7.3.4.1. In case the manufacturer does not have this certificate, it shall, within twenty (20) calendar days, submit the approval result in Ballistic Testes with a laboratory accredited by the National Institute of Justice – USA, attesting full compliance with the test protocol specified in the NIJ standard 0101.06 for level III-A.
  - 7.3.4.2. The winning Company shall be responsible for sending as many vests as necessary of such supply batch to a NIJ – 0101.06 accredited laboratory, in order to verify the quality of the product according to the tests described in the NIJ standard – 0101.06, and the abridged test does not apply.
  - 7.3.4.3. The vests to be sent to the laboratory shall be chosen randomly by the members of the Vest Acceptance Team before sending them to the laboratory tests.
  - 7.3.4.4. The Contracted company shall be responsible for all costs associated with the performance of the tests.
  - 7.3.4.5. The vests sent for testing shall be replaced by the Winning Company, at every Supply Order, regardless of the amount requested.
  - 7.3.4.6. Members of the Vest Acceptance Team designated by DLOG/PF may follow up on the tests of vests by the contracted company, in a laboratory. The Public Administration shall be responsible for the costs of accommodation and tickets for the members of the commission.
  - 7.3.4.7. Otherwise, the batch shall be rejected and the contract shall be terminated unilaterally for failure to execute the object, without prejudice to the other applicable sanctions.
- 7.4. Delivery shall be scheduled and performed by the Contracted Company at the National Police Academy – Address: Rodovia DF 001 KM – 02, Setor Habitacional Taquari – Lago Norte, Zip Code: 71559-900, Brasília – DF, Brazil, under its full responsibility for a business day, in a time between 9 a.m. and 5 p.m., with at least a 48-hour notice by the Contracted Party to the Acceptance Committee.
- 7.5. The delivery shall occur in up to thirty (30) days after issuance of the Provisional Acceptance Certificate.

- 7.6. Upon each delivery, the company shall also provide a document with the description of all materials and amounts of what is being provided. In the same document, the company shall take a receipt with the name, registration with the Federal Police, and signature of one of the civil servants of the acceptance division. This receipt shall be delivered to the contract inspector or scanned and sent to his/her email.
- 7.7. The products shall be new, thus deemed first hand items, and shall also be duly packed, separated by size, according to supply order and accompanied by their corresponding Bill of Sale.
- 7.8. The material shall be sealed when delivered, within its original package, including the trademark, manufacturer, origin and lifespan.
- 7.9. The winning bidder undertakes to deliver the material referred to in this Terms of Reference, strictly according to the specifications described herein, being its full responsibility to replace the goods, in whole or in part, whenever it is verified by the Administration that it is not in compliance with such specifications.
- 7.10. The final acceptance shall be issued by the Acceptance Team within fifteen (15) calendar days of the delivery date of the goods, upon verification of the compliance of the materials delivered.
- 7.11. The contract inspector or his alternate shall be responsible for rejecting in whole or in part any product not in compliance with the requirements, as well as for determining the term for replacement of the material that may be not in accordance with the specifications or may be defective or have any operating defect.
- 7.12. The Acceptance Team, formed by at least three (3) servants, and their respective alternates shall be appointed by the Head of Police Administration and Logistics or any individual licensed therefor.
- 7.13. The Contract Inspection Team (not to be confused with the Acceptance Team) and their respective alternates shall be appointed by the Head of Police Administration and Logistics or any individual licensed therefor.
- 7.14. The presence of an inspection authority or of the Federal Police does not prevent nor diminishes the responsibility of the contracted company.
- 7.15. The company that does not comply with the delivery times determined shall be subjected to sanctions as provided for in Law No. 8,666/93, in these terms of reference and in the Invitation to Bid.
- 7.16. The provisional or final acceptance of the goods does not exclude the responsibility of the contracted party for the losses arising from the incorrect performance of the contract.

## **8. WARRANTY AND LIFESPAN OF THE GOODS**

- 8.1. The warranty of the materials used in the tactical vests and in the transport pack against any manufacturing defect shall be consistent with the supplier's instructions and shall not be less than one (1) year, of the date of final acceptance of each delivery.
- 8.2. The warranty of the materials regarding the lifespan of the bulletproof material (useful life) used in the manufacturing of the bulletproof panels used in the vest may not be less than six (6) years, of the date of manufacturing thereof, date which, on its turn, shall be no more than three (3) months before the signature of the contract.

- 8.3. Warranty means, for purposes of these terms of reference, the warranty intended for removing faults or any manufacturing defects the products may present, including replacements, repairs, and other adjustments required.
- 8.4. The Federal Police reserves the right to perform C- or D-type tests in the vests owned by it every year, for purposes of for verification of the maintenance of the bulletproof properties of the equipment.
- 8.5. The terms for repairing defects presented by the materials, as referred in these terms of reference, shall be counted of the date of acceptance, without any further cost to the Contracting Party.
- 8.6. During the warranty term, without any expenses for the Contracting Party, the supplier, through its headquarters, branches, offices, or authorized technical representatives, undertakes to:
  - 8.6.1. Provide assistance to the requests of the Contracting Party, within forty-eight (48) hours of the moment of the call, which may be made on business days, from 9 a.m. to 6 p.m.;
  - 8.6.2. Replace any defective parts or components;
  - 8.6.3. Fix manufacturing defects;
  - 8.6.4. Replace the equipment, within twenty (20) calendar days of the date of communication by the Contracting Party, in case any fixes or replacements of defective parts do not solve the problem.

## **9. CONTRACTING PARTY'S OBLIGATIONS**

- 9.1. The Contracting Party undertakes to:
  - 9.1.1. accept the goods within the term and following the conditions established by the Invitation to Bid and its annexes;
  - 9.1.2. verify in details, within the term determined, the compliance of the goods accepted provisionally with the specifications included in the Invitation to Bid and of the bid, for purposes of final acceptance;
  - 9.1.3. communicate the Contracted Party, in writing, about imperfections, faults, or nonconformities verified in the goods provided, so that it is replaced, repaired, or fixed;
  - 9.1.4. monitor and inspect the performance of the obligations of the Contracted Party, through an especially designated commission/civil servant; and
  - 9.1.5. pay the Contracted Party the amount corresponding to the supply of the goods, within the term and in the manner established by the Invitation to Bid and its annexes.
- 9.2. The Administration shall not respond for any commitments taken on by the Contracted Party with third parties, even if related to the execution of this Contract, as well as for any damage caused to third parties as a result of acts of the Contracted Party, its employees, agents, or subordinated persons.

## 10. CONTRACTED PARTY'S OBLIGATIONS

10.1. The Contracted Party shall perform all obligations included in the Invitation to Bid, its annexes, and its proposal, exclusively undertaking the risks and expenses arising from the good, perfect execution of the object and also undertaking to:

- 10.1.1. deliver the goods in perfect conditions, pursuant to the specifications, deadline, and place included in the Invitation to Bid and its annexes, and accompanied by the relevant invoice, which shall include information regarding: brand, manufacturer, model, origin, and warranty term or lifespan;
- 10.1.2. assume liability for defects and damages arising from the goods, pursuant to articles 12, 13, and 17 to 27, of the Consumer Protection Code (Law No. 8,078 of 1990);
- 10.1.3. replace, repair, or correct, at its expenses, by the deadline established in these Terms of Reference, the goods with damages, defects, or inconsistencies;
- 10.1.4. communicate to the Contracting Party, no more than ten (10) days before the appearance at the factory for purposes of provisional acceptance and twenty-four (24) hours before the date of delivery, the reasons that may preclude the meeting of the deadline set forth, with due evidence, being subject to the sanctions provided for in the Terms of Reference and/or Invitation to Bid;
- 10.1.5. maintain, during the entire performance of the contract all eligibility and qualification conditions required by the bidding process compatible with the obligations undertaken;
- 10.1.6. indicate an agent to represent it during performance of the contract.
- 10.1.7. supply the items quoted under the specifications included herein and at the location indicated in each Supply Order;
- 10.1.8. supply the items within the terms established in the Terms of Reference and its annexes;
- 10.1.9. supply new materials that are adequate to the use intended therefor in a reliable way and that offers safety to users, equipment, and the environment;
- 10.1.10. assume responsibility for any damage or losses caused to the Federal Police, as well as third parties, arising from its fault or willful misconduct in delivering the materials, immediately proceeding to the applicable repairs or indemnifications and undertaking the resulting expenses;
- 10.1.11. provide clarification requested by the contracting party, immediately addressing the complaints;
- 10.1.12. action or omission of the inspection, in whole or in part, by the Contracting Party shall not exempt the Contracted Party from full responsibility as to the performance of the obligations agreed;
- 10.1.13. remove, from the Contracting Party's premises, the goods/materials possibly opposed by the investigation within no more than thirty (30) days, and keeping any goods/materials that do not meet the specifications is expressly prohibited.
- 10.1.14. assume the responsibility for the warranty of goods, meeting the proper quality, safety, durability, and performance standards, as provided for in the prevailing laws and regulations and as required under these Terms of Reference;

- 10.1.15. deliver the goods with a complete manual in Portuguese, containing instructions related to specifications, list of parts, handling, conservation, cleaning, and maintenance, among other technical aspects;
- 10.1.16. solely and exclusively assume the liability for payment of all expenses, whether direct and indirect, arising from the execution of the object of these Terms of Reference, such as freight, social charges, taxes, fees, and tax, social-security, labor, and land contributions; in short, all obligations and responsibilities related to the goods and employees, with no losses for the Contracting party; and
- 10.1.17. make available to the Federal Police the means required for the evidence of quality of materials, enabling verification of the specifications in compliance with the provisions in these Terms of Reference.
- 10.1.18. replace up to two (2) vests per year during the vests' lifespan, as a result of the performance of the tests provided for in item 8.4 above.

10.2. The Contracted Party shall accept the use of efforts deemed necessary by the Contracting Party as a result of doubt regarding the origin and quality of materials.

## **11. SUBCONTRACTING**

- 11.1. The object of the bidding may not be subcontracted.

## **12. FAULT-BASED AMENDMENT**

- 12.1. Consolidation, spin-off, or merger of the contracted party with/from/into another legal entity is allowed, as long as the new legal entity observes all qualification conditions required in the original bidding process, the other clauses and conditions of the contract are maintained, with no prejudice to the execution of the subject matter agreed, and with the express consent of the Administration to the continuity of the contract.

## **13. CONTROL OF THE PERFORMANCE**

- 13.1. Pursuant to art. 67 of Law No. 8,666 of 1993, a representative shall be designated to monitor and inspect the delivery of the goods, registering to his own record all incidents related to performance and determining what is required to rectify the faults or defects observed.
- 13.2. The receipt of materials equivalent to an amount higher than one hundred seventy-six thousand Reais (R\$176,000.00) shall be entrusted to a committee of at least three (3) members, designated by the competent authority.
- 13.3. The inspection addressed in this item does not exclude or diminishes the responsibility of the Contracted Party, including before third parties, for any nonconformity, even if resulting from technical imperfections or redhibitory defects, and, upon occurrence thereof, neither the Administration nor its agents and employees shall be held accountable accordingly, in compliance with art. 70 of Law No. 8,666 of 1993.
- 13.4. The Administration's representative shall register to his own record all incidents related to the performance of the contract, informing the corresponding day, month, and year, as well as the name of the employees that may be involved, determining what is required in order to rectify the faults or defects observed and submitting the annotations to the competent authority for appropriate action.

## 14. PROCEDURES FOR IMPORTATION

- 14.1. In compliance with item X of art. 55 of Law No. 8,666/93, coupled with art. 9° of Law No. 10,520/2002, in case of supply by a foreign company, any importation of equipment shall be conducted on behalf of the contracting party, and such foreign company shall undertake all responsibility for customs clearance, including taxes, freight forwarders, fees, tariffs, or any other tax or parafiscal tax cost resulting from the import process, the requests for exemptions or immunities, the filing of appeals, as well as for any responsibility related to penalties imposed.

## 15. PAYMENT

### Domestic Companies

- 15.1. Payment shall be made within no more than thirty (30) days of the receipt of the Bill of Sale or the Invoice, through standing order, for credit in the bank, agency, and checking account indicated by the contracted party.
- 15.2. Payments arising from expenses which amounts do not exceed the limit referred to in item II of art. 24 of Law 8,666 of 1993, shall be made within no more than five (5) business days of the date of submission of the Bill of Sale, pursuant to art. 5, paragraph 3, Law No. 8,666 of 1993. The bill of sale or invoice is deemed received when the contracting agency attest the execution of the object.
- 15.3. The Bill of Sale or Invoice shall be mandatorily accompanied by evidence of the Tax compliance certificate, verified through online consultation with the Unified Supplier Registration System (SICAF) or, in case of impossibility to access such System, upon consultation with the official websites or the documentation referred to in art. 29 of Law No. 8,666 of 1993.
- 15.4. After verifying any nonconformity with SICAF regarding the contracted supplier, the measures provided for in art. 31 of Normative Ruling No. 3 of April 26, 2018, shall be taken.
- 15.5. In case of error in the submission of the Bill of Sale or of documents related to the contract or also in case of any circumstance that may prevent payment of the expense, such as, for example, outstanding financial obligation as a result of the penalties imposed or of default, payment shall be suspended until the Contracted Party procure remediating measures. In this case, the payment term shall begin after the rectification of the situation is evidenced, not creating any lien to the Contracting Party.
- 15.6. The day when the bank payment order appears as issued shall be considered the date of payment.
- 15.7. Before each payment to the contracted party, a consultation with the SICAF in order to verify the maintenance of the eligibility conditions of the invitation to bid.
- 15.8. If the nonconformity status of the contracted party with SICAF is verified, a notice shall be provided in writing so that, within five (5) business days, it brings its status into compliance or, within the same term, it submits its defense. This term may be extended once, for an equal period, at the contracting party's discretion.
- 15.9. Prior to the issuance of a funds citation and to each payment, the Administration shall carry out a consultation with the SICAF in order to identify a possible temporary suspension of participation in bidding processes, within the scope of the body or entity, a prohibition to contract with the

- 15.10. Government, as well as indirect impeding events, pursuant to the provisions of art. 29 of Normative Ruling No. 3 of April 26, 2018.
- 15.11. In case of failure to bring its status into compliance or if the defense is deemed groundless, the contracting party shall inform the bodies responsible for inspecting the tax compliance related to the contracted party's non-performance and to the existence of payments to be made, so that the applicable measures, necessary to guarantee receipt of its credits, are taken.
- 15.12. If the nonconformity persists, the contracting party shall take the necessary measures for the contract termination in the corresponding administrative proceeding, and the contracted party shall be ensured legal defense.
- 15.13. If the object is effectively executed, the payments shall be made as usual, until a decision is made on the contract termination, if the contracted party fails to bring its status into compliance with the SICAF.
- 15.13.1. The contract with the contracted party in default shall be terminated in the SICAF, except if there are economic reasons or reasons related to national security or to high-relevance public interest that support otherwise, which shall be duly supported, in any case, by the authority of the contracting party.
- 15.14. Upon payment, the tax shall be withheld as provided for in the applicable laws and regulations.
- 15.14.1. The Contracted Party duly enrolled with the Brazilian Simplified Tax Regime (Simples Nacional), pursuant to Complementary Law No. 123 of 2006, shall not incur any withholding taxes regarding taxes and contributions covered by such regime. However, payment shall be subject to the presentation of evidence, through official document, that such Contracted Company is entitled to the favored tax treatment provided by such Complementary Law.
- 15.15. In cases of any delays in payment, as long as the Contracted Party has not contributed therefor somehow, it is therefore agreed that the financial compensation fee payable by the Contracting Party, between the due date and the effective payment of the installment, must be calculated through the application of the following formula:

$EM = I \times N \times VP$ ; provided that:

$EM$  = Default charges;

$N$  = Number of days between the date set forth for the payment and the date of effective payment

$VP$  = Amount to be paid in the installment.

$I$  = Financial compensation index = 0.00016438, ascertained as follows:

$I = (TX)$	$I =$	$(6 / 100) / 365$	$I = 0.00016438$ $TX = \text{Percentage of the annual rate} = 6\%$
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### Foreign Companies

- 15.16. Payment shall be made according to the guidelines of the Monetary and International Trade Policy after submission of the invoices, especially considering compliance with the provisions of the main section and paragraph 3 of art. 42 of Law No. 8,666 of 1993, of Law No.



4,320 of 1964, and of Law No. 10,192 of 2001, coupled with Decree-Law No. 857 of 1969.

- 15.17. FOR PAYMENT BY FOREIGN COMPANIES WITH NO AFFILIATES IN BRAZIL, payment shall be made through International Letter of Credit, irrevocable and non-transferable, issued by a banking institution to the benefit of the contracted company and secured by a first-class bank appointed by the bidder, in Brazilian currency (Reais) and exchanged to the requested currency at the moment of the request of the Letter of Credit, pursuant to the prevailing laws and regulations, and the validity of which shall correspond to the delivery time of the object of the bidding and its clearance for payment shall occur immediately upon notice to the issuer, after issuance of the Final Acceptance Certificate by the Federal Police.
- 15.18. Clearance of the irrevocable and non-transferable letter of credit opened to the benefit of the CONTRACTED PARTY with the Banking Institution shall be effected soon after confirmation of final receipt of the material, pursuant to the terms set forth in the terms of reference.
- 15.19. In case it is necessary to amend the letter of credit, for extension or change in the conditions, the expenses that may be levied thereon shall be bore by the party causing the amendment.
- 15.20. All expenses regarding the issuance of the payment order and/or the documentary credit, or taking out of the letter of credit (opening, notice, trading, and other expenses arising therefrom), or even expenses related to the renewal of the Letter of Credit, including those related to the increase in the exchange rate, in case of delay for compliance by the Contracted Party, shall be bore thereby.
- 15.21. FOR DOMESTIC AND FOREIGN COMPANIES WITH AFFILIATES IN BRAZIL, payment in national currency (Reais) shall be made through credit in a bank account; a situation in which the bidder shall provide all information for issuance of the respective payment order and/or documentary credit, as the case may be, by the issuing bank.
- 15.22. The effective payment and settlement shall be considered effected, IN CASE OF CHOOSING BANK CREDIT, upon deposit of the amounts payable in Brazilian currency (Reais) by the Contracting Party to the Contracted Party's bank account;
- 15.23. IN CASE OF LETTER OF CREDIT, the effective payment and clearance shall be considered with the authorization for the guaranteeing bank to pay the beneficiary.
- 15.24. For payment to Brazilian bidders, good and valid standing shall be evidenced in the registration with the contracted party's SICAF, evidence of regular standing with the labor court, evidence of the National Registry of Ineligible and Suspended Companies (CEIS), and other registries informative of the status of companies that contract with the Government.
- 15.25. In case a penalty for contract default is incurred, the following procedures shall apply:
- 15.25.1. The penalty shall be deducted from the warranty of the respective contracted party, if it was required, and if its value is greater than the warranty provided; in addition to losing it, the contracted party shall bear the difference, which shall be deducted from the payments that may be payable by the Administration;
- 15.25.2. If the amount of the penalty is greater than the amount due for the supply of the object of the bidding, the contracted party shall bear the difference, which shall be deducted from the payments that may be payable by the Administration, or, when applicable, deducted from the contract warranty.

- 15.26. The payment shall only be made after the certification by the applicable civil servant of the Bill of Sale/Invoice submitted by the CONTRACTED PARTY.
- 15.26.1. The certification is hereby conditioned to the verification of compliance of the Bill of Sale/Invoice submitted by the CONTRACTED PARTY and of the regular performance of the obligations undertaken.
- 15.27. In case there is an error in the submission of the Bill of Sale/Invoice or of the documents applicable to the contract, or, even, a circumstance that prevents the payment of the expense, the payment shall be deemed pending until the CONTRACTED PARTY takes the remediating measures. In this case, the payment term shall begin after the rectification of the situation is evidenced, not creating any lien to the CONTRACTING PARTY.
- 15.28. Before each payment, the Contracting Party shall carry out an online consultation with SICAF and, if necessary, with official websites to verify the meeting of the qualification conditions for the Contracted Party, and the result shall be printed, certified, and attached to the payment process.
- 15.29. In case of evidence from SICAF of the non-conformity of the supplier contracted, a warning in writing shall be procured, and within five (5) business days, the supplier shall rectify its situation or, within the same term, submit its defense.
- 15.30. The term of the previous item may be extended once, for the same period, at the Administration's discretion.
- 15.31. In case of lack of rectification, or if the defense is deemed groundless, the Administration shall inform the bodies responsible for tax compliance investigation as to the supplier's default, as well as the existence of a payment to be made by the Administration, so the applicable and required means are used to ensure receipt of its credits.
- 15.32. In case the non-conformity prevails, the Administration shall adopt the measures required for the termination of the contracts at stake, in the records of the relevant administrative proceedings, and legal defense is ensured to the contracted party.
- 15.33. In the event of effective provision of services or supply of goods, the payments shall be made as usual, until a decision is made regarding contract termination if the supplier does not rectify its situation before SICAF.
- 15.34. The contract executed with a defaulting company or professional according to SICAF shall not be terminated only as a result of economy, national security, or another highly important public interest, duly justified, in any case, by the maximum authority of the contracting body or entity.
- 15.35. Upon payment, the taxes shall be withheld as provided for in the applicable laws and regulations, pursuant to Brazilian Federal Revenue Office Normative Ruling No. 1,234 of January 11, 2012.
- 15.35.1. The Contracted Party duly enrolled with Simples Nacional, established by article 12 of Complementary Law No. 123 of 2006, shall not incur any withholding taxes regarding taxes and contributions covered by such regime with respect to its own revenues, as long as it submits, for every payment, the representation referred to in article 6 of the Brazilian Federal Revenue Office – RFB Normative Ruling No. 1,234 of January 11, 2012.
- 15.36. The day on which the payment order is issued date of payment shall be deemed the date of payment.

15.37. The CONTRACTING PARTY shall not assume responsibility for any expense that may be incurred by the CONTRACTED PARTY and that has possibly not been agreed in the contract.

15.38. In case of any delayed payments, as long as the CONTRACTED PARTY has not somehow contributed therefor, the amount payable shall be increased by default charges proportional to the days of delay, ascertained from the deadline established for the payment to the date of effective payment, at the rate of six percent (6%) per annum, and the following formula shall be applied:

$$EM = I \times N \times VP$$

EM = Default Charges to be increased by the amount originally payable

I = Financial adjustment Index, calculated according to the formula:

$$I = \frac{(6/100)}{365}$$

N = Number of days between the deadline set forth for the payment and the date of effective payment

VP = Amount of the overdue Installment

## 16. ADJUSTMENT

16.1. The prices are fixed and cannot be adjusted within one year of the deadline to submit the bids.

16.1.1. Within the effective period of the contract and upon request of the contracted party, the contracted prices may be adjusted after one year, and the Extended National Consumer Price Index (IPCA) shall be applied exclusively to obligations initiated and completed after the annuality.

16.1.2. In the following adjustments, the minimum interval of one year shall start after the financial effects of the last adjustment.

16.1.3. In case of delay or non-disclosure of the adjustment index, the CONTRACTING PARTY shall pay to the CONTRACTED PARTY the amount calculated by the last known variation, settling the corresponding difference as soon as the definitive index is disclosed. The CONTRACTED PARTY is required to submit the price adjustment calculation of the remaining amount, whenever it occurs.

16.1.4. In the final measurements, the adjustment index used shall be mandatorily definitive.

16.1.5. If the adjustment index established is extinguished or cannot be used otherwise, the alternative index adopted shall be determined by the prevailing laws and regulations.

16.1.6. In the absence of a legal provision regarding the alternative index, the parties shall make an amendment to elect a new official index for adjustment of the price of the remaining amount.

16.1.7. The adjustment shall be made by apostilling.

## **17. PERFORMANCE BOND**

- 17.1. As a condition for execution of the Agreement or acceptance of the equivalent instrument, the grantee shall provide a bond corresponding to two and one half percent (2.5%) of the value of the Contract, which shall be released according to the conditions provided for in these Terms of Reference, as provided for in art. 56 of Law No. 8,666 of 1993, as long as the contractual obligations are performed.
- 17.2. The bond shall be provided in up to eight (08) business days of the call to execute the contract or equivalent instrument.
- 17.3. The contracted party shall be responsible for choosing one of the following types of warranty:
- 17.3.1. escrow or government bonds, which shall be issued in the book-entry form, upon registration with a centralized system of settlement and custody authorized by the Central Bank of Brazil and valued for their economic values, as defined by the Ministry of Finance.
  - 17.3.2. performance bond (in case of insurance for foreign companies, mention the contract as a reference);
  - 17.3.3. or bank guarantee.
- 17.4. The warranty, if made in cash, shall be paid to the benefit of the Contracting Party, in Caixa Econômica Federal, with inflation adjustment, on behalf of the contracting party. If the foreign company chooses to provide the guarantee, it may only be provided at a foreign bank if there is a corresponding bank in Brazil.
- 17.5. In case of change in the value of the contract or extension of its effective period, the warranty shall be readjusted or renewed under the same conditions.
- 17.6. If the amount of the warranty is used in whole or in part to pay any obligations, the Contracted Party undertakes to make the respective replenishment within no more than ten (10) business days of the date on which it is notified.
- 17.7. The Contracting Party shall execute the warranty as set forth in the laws and regulations regarding the matter.
- 17.8. The warranty provided by the contracted party shall be cleared or refunded upon performance of the agreement and, when in cash, with inflation adjustment (paragraph 4 of article 56, Law No. 8,666/93).
- 17.9. Without prejudice to the sanctions provided by Law and by the invitation to bid, the failure to provide the required warranty shall be deemed an unreasonable refusal to sign the contract, incurring the immediate annulment of the Funds Citation issued.

## **18. SUSTAINABILITY CRITERIA**

- 18.1. All materials shall be purchased considering Normative Ruling No. 01/2010 of the Logistics and Information Technology Office of the Ministry of Planning, Development, and Management – SLTI/MPOG, Chapter III, art. 5, I, II, III, and paragraph 1, except for those which do not apply to such ruling.

- 18.2. The products used in the manufacturing must be completely free of phthalates, naphthylamine, dichlorobenzidine, nonylphenol, formaldehyde, and heavy metals such as lead, copper, and cadmium, so that they must be based on water-based paints, with no solvent additives or heavy materials.
- 18.3. The goods must be, preferably, packaged in a proper individual package with the smallest volume possible, made of recyclable materials, as to ensure maximum protection during transportation and storage.

## **19. ADMINISTRATIVE SANCTIONS**

- 19.1. Pursuant to Law No. 8,666 of 1993 and to Law 10,520 of 2002, the following acts, if practiced by the Contracted Party, are considered administrative infractions:
- 19.1.1. Fails, in whole or in part, to perform any of the obligations undertaken as a result of the contract;
  - 19.1.2. Attempts to delay the performance of the object;
  - 19.1.3. Performs the agreement in a fraudulent manner;
  - 19.1.4. Behaves in a disreputable manner; and
  - 19.1.5. Commits tax fraud.
- 19.2. By failure to perform the contract, in whole or in part, the Administration may enforce the following sanctions to the CONTRACTED COMPANY:
- 19.2.1. Warning for minor offenses, i.e., those not entailing significant losses to the Contracting Party;
  - 19.2.2. Late-payment penalty as described below:
    - 19.2.2.1. Up to the twentieth day of delay, the percentage of 0.2% shall apply per day on the amount of the bid or of the installment to be paid up to the effective performance.
    - 19.2.2.2. From the twenty-first day up to the fortieth day of delay, the percentage of 0.3% shall apply per day on the amount of the bid or of the installment to be paid up to the effective performance.
    - 19.2.2.3. From the forty-first day up to the sixtieth day of delay, the percentage of 0.5% shall apply per day on the amount of the bid or of the installment to be paid up to the effective performance.
  - 19.2.3. Compensatory fine of up to twenty percent (20%) on the total contract amount, in case of full failure to execute the object;
  - 19.2.4. In case of partial default, a compensatory fine, in the same percentage of the sub-item above, shall apply proportionally to the defaulted obligation;
  - 19.2.5. Suspension from bidding and disqualification from entering into contracts with the administrative body, entity, or unit through which the Public Administration operates and acts, for the term of up to two years;

19.2.6. Disqualification from bidding and entering into contracts with the Federal Government and consequent removal from the SICAF for up to five years;

19.2.6.1. The sanction of disqualification from bidding and entering with contracts established in this sub- item also apply to any cases set forth as administrative infraction in sub-item 17.1 of these Terms of Reference.

19.2.6.2. Declaration of disreputability to bid or enter into agreements with the Public Administration while the reasons for the punishment prevail or until requalification before the authority that enforced the penalty, which shall be granted whenever the Contracted Party reimburses the Contracting Party for the losses incurred;

19.3. Sanctions set forth in sub-items 19.2.1, 19.2.4, 19.2.5, and 19.2.6 may apply to the CONTRACTED PARTY together with those mentioning penalties, which shall be deducted from the payments to be made.

19.4. The penalties provided for in art. 87, items III and IV, of Law No. 8,666 of 1993 shall also apply to companies or professionals that:

19.4.1. Were finally convicted for intentionally committing tax fraud in the collection of any taxes;

19.4.2. Have taken illegal acts aiming at hindering the objectives of the bidding process; and

19.4.3. Evidence not to be reputable to enter into agreements with the Administration due to illegal acts performed.

19.5. The application of any penalties set forth shall take place in an administrative proceeding ensuring adversary proceeding and legal defense to the Contracted Party, pursuant to the procedure set forth in Law No. 8,666 of 1993, and vicariously to Law No. 9,784 of 1999.

19.6. The competent authority, when enforcing the sanctions, shall take into account the severity of the offender's conduct, the educational nature of the penalty, as well as the damage caused to the Administration, pursuant to the principle of proportionality.

19.7. Penalties shall be mandatorily recorded in SICAF.

## **ANNEXES**

These Terms of Reference, for all purposes and effects, include the following annexes:

- ANNEX I – TECHNICAL SPECIFICATIONS OF THE BULLETPROOF VESTS (SEI No. 13122134 and 13122581);
- ANNEX II – TESTS IN THE SAMPLES OF THE BULLETPROOF VESTS (SEI No. 12625450 and 12625454);
- ANNEX III – VEST FITTING AND FUNCTIONAL TESTS – ASSESSOR REPORT (SEI No. 12625491 and 12625498);
- ANNEX IV – PRICE PROPOSAL TEMPLATE (SEI No. 13123041 and 13123157); and
- ANNEX V – TECHNICAL CERTIFICATE TEMPLATE (SEI No. 12625585 and 13124312).

**VICTOR POZZI ZOCH**  
Federal Forensic Expert  
DPC/CGPLAM/DLOG/PF

**ADRIANA CRISTINA DE JESUS SOUZA**  
Federal Police Agent  
SECOL/DPC/CGPLAM/DLOG/PF

**MARCOS CESAR DE OLIVEIRA**  
Federal Police Agent  
OPERATIONAL TRAINING OFFICE IN THE  
HUMAN DEVELOPMENT DIVISION OF  
THE EDUCATION COORDINATION  
OFFICE OF THE NATIONAL POLICE  
ACADEMY OF THE GENERAL POLICE  
DEPARTMENT OF THE FEDERAL POLICE  
– SEOP/DIDH/COEN/ANP/DGP/PF

**DANIEL HENRIQUE MARQUES**  
Federal Police Agent  
WEAPONRY AND SHOOTING OFFICE –  
SAT/DIDH/COEN/ANP/DGP/PF

Contract Planning Team  
Created by Ordinance No. 408-DLOG/PF (8517506)  
Changed by Ordinance No. 443-DLOG/PF (9571360)  
Changed by Ordinance No. 470-DLOG/PF (10914731)

#### **APPROVAL:**

1. I approve these Terms of Reference and its annexes, after verifying that it was prepared pursuant to the guidelines of the Public Administration.
2. The needs for the contract, the delimitation of the object of the bid, the essential technical aspects, the obligations of the parties engaged, and the estimated costs of the contract are fully justified.

**ROBERVAL RÉ VICALVI**  
Federal Police Commissioner  
Head of Police Administration and Logistics



Document signed electronically by **VICTOR POZZI ZOCH**, Federal Forensic Expert, on November 27, 2019 at 10:09 a.m., Brasília time, pursuant to art. 6, paragraph 1, of Decree No. 8,539 of October 8, 2015.



Document signed electronically by **ADRIANA CRISTINA DE JESUS SOUZA**, Federal Police Agent, on November 27, 2019 at 10:10 a.m., Brasília time, pursuant to art. 6, paragraph 1, of Decree No. 8,539 of October 8, 2015.



Document signed electronically by **MARCOS CESAR DE OLIVEIRA**, Federal Police Agent, on November 27, 2019 at 12:34 p.m., Brasília time, pursuant to art. 6, paragraph 1, of Decree No. 8,539 of October 8, 2015.



Document signed electronically by **DANIEL HENRIQUE MARQUES**, Federal Police Agent, on December 13, 2019 at 11:33 a.m., Brasília time, pursuant to art. 6, paragraph 1, of Decree No. 8,539 of October 8, 2015.

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Document signed electronically by **JUNER CALDEIRA BARBOSA**, Authorising Officer - Substitute, on December 13, 2019 at 12:11 p.m., Brasília time, pursuant to art. 6, paragraph 1, of Decree No. 8,539 of October 8, 2015.

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