



BRAZILIAN NAVAL COMMISSION IN WASHINGTON
5130 Mac Arthur Blvd., NW
Washington, D.C. 20016-3316

INVITATION FOR SEALED BID (IFSB)

N° 03/2018

FOR THE PROCUREMENT OF:

NEW SELF-PROPELLED HYDRAULIC CRANE, TYPE RT, NOMINAL CAPACITY: 60T/3.0m
(Technical Specifications of the Object, Annex A)

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BNC Ref. N°: PE41000-2018-50001



Brazilian Naval Commission in Washington
5130 MacArthur Blvd., NW
Washington, D.C. 20016-3316

IFSB No 03/2018

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Brazilian Naval Commission in Washington

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INVITATION FOR SEALED BID Nº 03/18 COVER PAGE (THIS IS NOT AN ORDER)

As authorized by the President of the Brazilian Naval Commission in Washington (BNC), I, MARCELO BIONE GONÇALVES, the President of the Bid Commission (BC) of the BNC, with offices at 5130 MacArthur Blvd., NW, Washington, D.C., 20016-3344, hereby announce to the recipients of this Invitation for Sealed Bid (IFSB), the commencement of the process of inviting, receiving, and evaluating the sealed responses (Bids) to this IFSB, as described herein. Please read all documents attached to this IFSB, including the Bid Procedures, the Contract Draft terms and conditions and the Statement of Work for Seller, to ensure that you comply with the bidding process.

Companies submitting a Bid must comply with all instructions contained in this IFSB, including item 5 below "DEADLINE FOR SUBMITTAL OF BIDS" and the attachments "Technical Specification of the object" and "CONTRACT DRAFT" incorporated herein.

1. IFSB Nº 03/18

2. DATE OF ISSUANCE OF THIS IFSB: 03/28/2018

3. OBJECT : Acquisition of a Self-Propelled New Crane
Technical Specifications of the object provided on Annex A in this IFSB

4. SUBMITTAL OF THE BID: Bids must be submitted via email to the email address below:

- cnbw.bid@marinha.mil.br to the attention to the President of Bidding Commission.

5. DEADLINE FOR SUBMITTAL OF BIDS: Sealed bids for the supply of the object in this IFSB must be received at the email address specified in item 4 above, **no later than 3:30 PM EASTERN STANDARD TIME on the following date: 04/10/2018** (See Section 1.0, 2nd Step).

6. FOR ADITIONAL INFORMATION: Should any questions arise regarding this IFSB, please contact Ms. Etna Cavalcante at (202) 244-3950, ext. 341 or email etna@marinha.mil.br.

7. DECLINING BIDDING: If there is no interest in participating in this bid, we kindly request you to reply to the invitation with a "no bid" note.



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BID PROCEDURES

SECTION 1 - SCHEDULE FOR BID RECEIPT AND EVALUATION

STEPS	DATE	TIME	EVENT
1 st	03/28/18	3:30pm	Bid requests sent
2 nd	04/10/18	3:30pm	Last day for submitting Bids containing the Qualification Information, Price Proposal and the Technical Information packages. Bids must addressed to email: cnbw.bid@marinha.mil.br.
3 rd	04/11/18	9:00am	The BNC's Bidding Commission (BC) opens the email with the Qualification Information and the Technical Information attachments.
4 th	TBA	9:00am	The President of the BNC's Bidding Commission announces the name of the Companies that have been qualified to continue in the Bid process.
5 th	TBA	9:00am	Last date for Bidders to submit any appeal by for reconsideration by the Bidding Commission of a disqualification. Two days after step 4 th
6 th	TBA	3:30pm	BNC informs the results of any appeal.
7 th	TBA	9:00am	The Bidding Commission opens the "Price Package for IFSB N° 03/2018" of the qualified Bidders, and proceeds to evaluate the Price Proposal contained therein, with the objective of establishing a final ranking among the qualified Bidders. The winner shall be the company with the lowest price, according to Section 6.
8 th	TBA	3:00pm	President of the BNC Bidding Commission announces the name of the winner of the Bid.
9 th	TBA	3:30pm	Last date of appeals. Two days after step 8.
10 th	TBA	3:30pm	BNC informs the results of any appeal.
11 th	To be advised		Signature of the Contract (date of signature by both parties).

Bidders who want to participate in the opening bids process, should contact BNC at least one day in advance to the date.



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SECTION 2 - GOVERNING LAW

The present IFSB was issued in accordance with of the Federative Republic of Brazil Administrative Laws and Regulations and the regulations herein.

- 2.1 The bidding process and any disputes arising thereunder shall be governed by the applicable laws, rules and regulations of the Federative Republic of Brazil, and, if further guidance is necessary, by principles of the laws of Brazil;
- 2.2 The United States District Court of Washington, D.C., shall be the court in which any action or proceedings that might arise in connection with the bidding process must be filed and adjudicated; and
- 2.3 In the event a contract is entered between BNC and a Bidder, the formation and performance of such contract shall be governed by the provisions of that contract, including its governing law's provisions.

SECTION 3 - PRICE

- 3.1 The prices proposal for this Bid, must be firm fixed, must include Delivery/Transportation INCOMTERM 2010 – CIF-Rio de Janeiro, and Insurance for 110% of the value of a prospective contract, and valid for at least 120 days from the date specified on the 2nd step of section 1.0 - Schedule for Bid Receipt and Evaluation
- 3.2 Prices must be quoted in US dollars;
- 3.3 All taxes, stamps, insurance, consular charges and any other duties, fees or charges levied by the Brazilian authorities shall be paid by the Brazilian Navy unless these expenses are generated by a non-compliance of contractual terms by the supplier. Such duties, taxes and fees levied by the authorities in the United States, shall be paid by the Bidder.

SECTION 4 - BID

The Bid package must consist of 3 (three) attachments: 1) Qualification Information; 2) Technical Specifications of the Object and 3) Price Proposal.

- 4.1 **Qualification Documents**, containing:
 - Copy of company's license to operate;
 - Company's EID (Employer Identification Number)
- 4.2 **Object Technical Information** - Bidder must provide a document with the object technical specification in accordance to requirements in Annex A (Technical Specifications of the Object) and in accordance with the provisions established in this IFSB, including the Bid Procedures and all attachments hereto. Concerning the technical Information, the instructions below shall be observed:

- a) Basic information of the object:



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1. Object description;
 2. General information;
 3. Schematic of painting and surface treatment;
 4. List of spare parts for one year of regular maintenance.
 5. List of accessories; and
 6. Estimated schedule of Installation, Commissioning and Training;
- b) The Bidder must send all information considered necessary to the best evaluation of the Equipment, including the representatives in Brazil that will provide technical support services.
- c) The Bidder must list, when applicable, additional items that are not included in the scope of supply, but necessities for the correct performance of the equipment supplied.
- d) Name and address of the duly-legal representative in Brazil that shall provide technical support for equipment maintenance in Brazil. Buyer representative shall be granted the right to visit representative's facility in Brazil.
- e) Besides the required information, the Bidder must provide any other information considered necessary for a better evaluation of the Equipment proposed.
- 4.3 **Price Package for IFSB N° 03/2018** – Bidder must provide both unit and total price for CIF-Rio de Janeiro terms, as per Incoterms 2010, in US dollars, ocean freight and Insurance for 110% of the value of prospective contract.
- 4.4 Bid shall only be accepted for evaluation if received by the BNC no later than the time specified on 2nd step of Section 1.0. **Bid received after the deadline will be disqualified.**
- 4.5 Bidder can withdraw by written notice and received by the BNC at any time before the signing of a contract.
- 4.6 Bids must be presented in accordance with the provisions established in this IFSB, including the Bid Procedures and all attachments hereto. The Bid must contain a complete and accurate response to each instruction, representations, warranties, and covenants included in the IFSB. BNC is entitled to refuse any Bid that fails to contain in the proper form all information required, contain information that the BNC determines to be incomplete, inaccurate, distorted or potentially misleading, or fails to demonstrate in the exclusive judgment of the BNC that the Bidder is qualified. The submittal of a Bid in a form other than the established in this IFSB, including the Bid procedures and all attachments hereto, or quoting prices in any currency other than U.S. Dollars shall be reason for disqualification, upon the occurrence of which the BNC shall be entitled to reject the Bid. The Bidding Commission reserves the right to disqualify, without explanation, any Bid not complying with one or more of the requirements established in this IFSB, in which event, the Bidding Commission shall send to the disqualified Bidder a Notice of Non-Acceptance.
- 4.7 After a Bidder submits his Bid, the Bidding Commission shall not accept any additional information from that Bidder, unless the Bidding Commission specifically requests such information in the circumstances set forth in Section 6.1. However, by submitting a Bid, a Bidder agrees that, if after submitting his Bid he discovers that the Bid contained any inaccurate, materially erroneous, or otherwise misleading information, the Bidder shall promptly notify the BNC by facsimile or registered mail of the existence of such incorrect information. The Bidding Commission reserves the right upon receipt of such notification to disqualify a Bid, in which event the Bidding Commission shall send to the Bidder a Notice of Non-Acceptance.



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SECTION 5 – CONTRACT TERMS AND CONDITIONS:

In the event of the signing of a contract between BNC and the Bidder awarded, such contract shall be only and exclusively under the terms and conditions provided in Annex B of this IFSB. Therefore, it is extremely important that the Bidder specify his questions or requirements for small changes to the contract when it presents the proposal.

SECTION 6 - EVALUATION AND RANKING OF QUALIFIED BIDS

- 6.1 The Technical Information attachment will be sent to the end user for approval. If any questions are risen from the End User, Bidder will be consulted, and the additional information will be added to their Bid package. Only after being accepted by the End User, the complete Technical Information document will be added to the Bidder's qualifications review.
- 6.2 The Bidding Commission shall open the "Price Packages for IFSB N° 03/2018" of the qualified companies only, according to the 7th step of Section 1.0. The Bidding Commission shall examine and compare the prices quoted by all qualified Bidders. Only the companies that provide all required prices will proceed to the phase that will evaluate and rank the Bids, taking into consideration the total price quoted. The company offering the lowest overall price will be awarded the Bid.

SECTION 7 - EVENTS PRECEDING EXECUTION OF A CONTRACT

- 7.1 After inviting the winner of this Bid to enter into contract negotiations for the supply of the object of this IFSB, and prior to the execution of such contract, the BNC has the right to request from that Bidder any additional information or documents it deems necessary. The BNC reserves the right to disqualify the winner Bidder if he fails to promptly and fully comply with such requests.
- 7.2 Prior to the execution of the contract, the BNC has the right to appoint two or more of its representatives to conduct a technical evaluation and verification of the Bidder's premises.
- 7.3 Neither the issuance of an invitation to enter into negotiations, or the conduct of negotiations with a Bidder commits the BNC to award a contract to that Bidder, and further, the BNC reserves the right, at any time, to withdraw without explanation from such negotiation. In that event, the BNC may invite the next ranked Bidder to enter into negotiation for the same contract, or to issue a new IFSB for the same item.
- 7.4 The Bidder invited to enter into negotiations for the contract must immediately notify the Bidding Commission, before the execution of the contract, of any material adverse change in the ability of the Bidder to perform the proposed contract, including but not limited to:
 - (i) Filings for insolvency of bankruptcy under applicable Federal or State laws; and
 - (ii) Loss of key management or key personnel.
- 7.5 Failure by the Bidder to comply with any of the conditions stated herein, or if the BNC finds any reason to doubt that the Bidder did not provide completely accurate information in his Bid, shall be cause for the Bidding Commission to reject that Bid, and to invite the next ranked Bidder to enter into negotiations for the execution of a contract.
- 7.6 A draft of the contract to be signed with the winner of this BID (Annex B) is being sent with this IFSB.

SECTION 8 - US GOVERNMENT EXPORT LICENSE

The Supplier shall be responsible for obtaining export license, if necessary, and the Brazilian Navy shall provide the Supplier with a "Non-transfer and Use Certificate form DSP-83".



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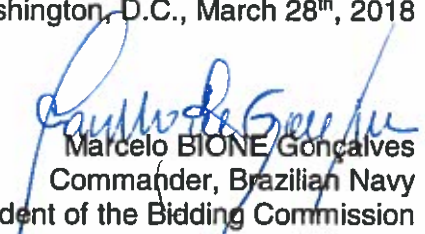
SECTION 9 – PAYMENTS

All and any payments originated from the fulfillment of the contract will be on NET-30-DAY terms. In addition, payment will be made in accordance to the schedule established in the Contract to be signed with the winner of this bidding process.

SECTION 10 - MISCELLANEOUS PROVISIONS

- 10.1 No contract shall be signed until the Brazilian Government has budgeted the amount required for the contract price.
- 10.2 No financial compensation shall be paid for any expenses incurred by Bidders for the preparation and submittal of their bids, and the BNC shall not pay any expenses incurred by Bidders that enter into contract negotiation for the object of this IFSB.
- 10.3 Installation, Commissioning and training shall be performed at End User's facilities at Rio de Janeiro Brazil.
- 10.4 All documents submitted by Bidders will be considered of public domain.

Washington, D.C., March 28th, 2018


Marcelo BIONE Gonçalves
Commander, Brazilian Navy
President of the Bidding Commission



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TECHNICAL SPECIFICATION of the OBJECT

**SELF-PROPELLED HYDRAULIC CRANE, TYPE RT NOMINAL CAPACITY: 60
 T / 3,0 m**

Standard Equipment, basic machine, with ideal accessories for operation, according to Norms ABNT NBR 14768, ABNT NBR 9596.

The equipment shall comply with the maximum noise limits set forth in resolutions CONAMA No. 1 of February 11, 1993 and 272 of September 14, 2000 and related legislation.

TECHNICAL DETAIL:

BOOM

Hydraulic boom system, telescopic drive, telescopic drive with sequential synchronization, minimum length of 11 m with fully retracted boom and minimum length of 33 m with boom fully extended, maximum reach of at least 33 m radius, subdivided up to 4 structural steel sections .

Two-section trussed articulated extension (SWINGAWAY) minimum 10 m until 17 m, retracted along the boom base section, allowing maximum height of at least 52 m. With lateral opening system, double and angulation/pinning assignment 0°, 25° and 45° with information in the operator's cabin.

The inclination of the boom shall be by double acting hydraulic cylinder, with integral check valve. The inclination can be as reference up to -4 ° to + 77 °.

The boom shall be fitted with an anemometer with audio and visual information and system lockout.

SAFETY SYSTEM FOR OPERATION (CONTROL SYSTEM)

Computerized and graphic system for angle control, boom length, radius, tip height, relative load moment, load indication, maximum lifting capacity and anti-collision of the masthead, "Graphic Display" with audio-visual warning and lever lock control.

Automatic moment limiter, with audio and visual alarm, which prevents movements that increase risk.

Upper limit of elevation with automatic interruption of movement, with audio visual alarm.

With indication of workspace definition and indication to the operator of the predefined limits, with audiovisual warnings to avoid obstruction of the work place.

The load safety system for the main winch shall have an electronic end-of-stroke indicator with audible warning and automatic cut-off on the last 3rd turn of the drum;

It shall have a graphical load capacity indicator, fixed to the inner upper of the cab and must have the hoisting information, stabilizing, turning radius and visual audio alarm and system lock information, in addition to informing the coupling of the jib.

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CABIN

Panoramic cabin with full view, made of galvanized steel with acoustic coating, with dark security glass, sliding door and window, sunroof with windscreen wiper and curtain, hydraulic clutch up to 20°, control panel, air conditioning, fan, ergonomic seat, reclining, forward and backward, height adjustment and backrest for head and arms.

Control joysticks coupled to the seat arms for comfort and operator posture.

Fire extinguisher must be installed.

SLEWING

Turntable with free rotation of 360°. The drive may be planetary type with hydraulic or mechanical multi-disc brake.

Slewing brake system may be applied by spring and hydraulically released and it must have a mechanical lock in the single position structure, operated by the cab.

The speed performance of the turning system as a reference up to: 2.5 RPM against weight.

COUNTERWEIGHT

The Counterweight shall be specified in accordance with manufacturer's design data and may be fixed to the structure or removable with hydraulic system for installation and removal, with indication in the cockpit and locked.

HYDRAULIC SYSTEM

The hydraulic system defined by the crane manufacturer's design and shall fully and satisfactorily meet the operating demand in the maximum range limits, as regards the number of pumps, valves, filters, flow, pressure and capacity of the oil reservoir hydraulic.

It should have integral oil cooler and system pressure test inputs.

HOIST (MAIN AND AUXILIARY WINCH SYSTEM)

Planetary main winch with wet brake, multi-disc automatically applied by spring, and two speeds up and down. Drum with channel, electronic rotary indicators and winch barrel cable monitor. Rear-view mirrors for viewing the correct winding of the steel cable in the drum.

The type of steel cable, Maximum traction and single / multiple cable speed performance shall be defined by the winch / crane manufacturer, and shall meet the system's functional requirements under full conditions and shall be shown in the load table.

The speed performance can be referenced in at least 150m / min in single cable.

Auxiliary winch up to two speeds, up or down, with automatic brake system, electronic rotation indicator and cable sleeper and rearview mirrors for winding monitoring. A ball-type hook shall be provided for a capacity of up to 10 t.

The steel rope drums of the main and auxiliary winches should have the ideal length of pick up capacity for operation in dyke areas (negative floor base) up to 17m depth with up to four turns in the trench, incline up to 40 ° with up to 14m of radius.

The Moitao must be suitable with a load lifting hook of 60 t, complying with the standards (NBR 10070 / DIN 15401) and Safety Factor, and it must be fitted with a safety catch; the chassis should provide eyelet for locking the main hook block for movement.

CARRIER FRAME

The structure of the chassis (carrier) in high strength alloy steel, with the integral stabilizer housing and front / rear towing eyelet, lifting and anchoring, rear hook.

You should have rear-view mirrors with wide visibility, tow eyelet loops on the rear and aluminum floor.

OUTRIGGERS (STABILIZERS)

The stabilization system shall be provided with four single stage telescopic hydraulic stabilizers and box beams with integrated reversing actuators and check valve. Position adjustment of 0%, 50% and 100% extended, with visual indication in the operator's cabin. Control of crane level indicator located in the cabin. The maximum load on the stabilizer base should be defined by the manufacturer's design ensuring safe stabilization for full load operation.

The stabilization system shall be operated by the equipment cabin. It shall provide for a locking of the drive (interlocking) of the horizontal system when the vertical system is engaged and supported with load.

DIESEL ENGINE

The propulsion should be by a turbo diesel engine, minimum of 6 cylinders, silent, in compliance with the current regulations and must meet the maximum emission limits of exhaust pollutants fixed under the Air Pollution Control Program for Motor Vehicles - PROCONVE, pursuant to CONAMA Resolution No. 18 dated 06/05/1986 and No. 315 of October 29, 2002 and current legislation for the place of delivery, Rio de Janeiro, local legislation, for emission of pollutants. Degree of noise relevant to the Regulatory Standards. Maximum power and torque compatible for the maximum development of the equipment in full operation of locomotion and load.

The copy of the certificate of test and approval of the engine in the factory must be presented.

The fuel tank must have a minimum of 250 liters for storage and must be reported in the motor manufacturer's report.

TRANSMISSION (DRIVE/STERR)

Automatic Powershift (spicer powershift type) with up to 6 forward speeds and 6 reverse. Detachable front axle for handling on highways (cruise type) in 4 x 2 and 4 x 4 traction for rough terrain. Front axle rigid and articulated rear, both with planetary gear units.

Ramp capacity up to 130% on tires with total gross weight.

Performance of maximum speed up to 37Km / h without load

REAR AND FRONT AXLES

Rear axle with automatic hydraulic swing up to 200 mm when the boom is centered and rear wheel alignment indicator.

Steering / traction front axle with differential and rigid mounting planetary reduction hubs in the structure and rear steering / traction with differential and planetary reduction hubs with articulated mounting in the frame.

DIRECTION SYSTEM (STEERING)

The fully hydraulic steering system should be multi-mode on all four wheels (4 modes), taking care of the situation of rear only, front only, crab type and coordinate. On the front controlled by the steering wheel and rear controlled by electrohydraulic drive in the operator's cab. The minimum radius of curve is 7.0 m.

BRAKE SYSTEM

Service brake system shall be disc with hydraulic actuation on all wheels. The parking brake with spring drive system and hydraulic release actuation. You should have audio visual indication in the operator's cab indicating that the parking brake is applied and has a low level of service brake fluid.

TYRES

Tires should be inflatable with or without special chambers, reinforced for work on stone floors (parallelepipeds).

ELECTRICAL SYSTEM

12V electric system with closed compartment for one or two automotive batteries and disconnect switch. Control panel with indicator clocks for basic engine and transmission functions (pressure, temperature) indication of system powered, fuel indication and stabilization. Internal lighting in the operator's cabin, headlights, rear and top of the first boom section. Position indicators (lantern), horn, hour meter, reverse gear sound alarm, steering indicators with steering column and external brake light indicator.

PAINTING (COLOR)

The frame should be painted with standard yellow safety for mobile crane. Epoxy finish paint, standard Technical Standard NBR-7195.

LUBRICANTS

Every lubrication system of the crane shall be provided with oils (lubricant, transmission, planetary, service brake fluid and grease) shall be included in the classification and commercialization in the national market. It should be presented lubrication plan with map of the points, type and quantity of lubricant and comparative table between manufacturers of the national market.

TRAINING

Operational and technical maintenance training for up to 08 operators and 08 mechanics / electricians should be given in two groups of four participants (operation / maintenance), as recommended in the manufacturer's manual, certificate issuance for the participants. Basement in NR 11 (transport, storage and handling of materials) and NR 12 (machinery and equipment) and NR 16 (activities and dangerous operations).

Within the operation training, preventive and predictive maintenance tables should be presented for the adequacy of hours of operation and access to critical lubrication points.

The End User will make available on its premises, room for application of training.

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SUGGESTED DIMENSIONS AND WEIGHTS:

Total gross weight up to 41t

Maximum length up to 14.0m, maximum height up to 3.7m, maximum width with horizontal beams of retracted outriggers up to 3.5m and horizontal beams of stabilizers at 100% extended up to 7.2m.

Wheelbase up to 4.1m

Tilt angle of front wheel: up to 24 ° and rear wheel up to 26 °

TESTS

A commissioning / PIT (Inspection and Testing Procedure) plan should be presented based on the operational load table and dynamic and static factory test certificates should be presented, which will be evaluated by the Quality Control Department and / or Technical Department and / or Production Department and / or End User's Crane Division, which may perform further testing on End User premises for approval.

Operational load tests must be performed with the representative equipment and END USER operator, in which it will be verified, the commissioning performance according to the characteristics of the equipment manufacturer, based on the manufacturer's manual and according to ABNT NBR 16147.

The PIT commissioning will take place in the End User's premises and will be performed by the contractor and supervised by the End User Technical team, that it will follow and approve the acceptance tests.

All instruments to be used by the contractor for commissioning must have a calibration certificate / validation within the validity and they must be incorporated into the acceptance documentation of the equipment.

The acceptance of the object will be conditioned to the commissioning, with the respective tests.

All tests to be performed by the contractor, it must be made with properly calibrated equipment, whose certificates must be incorporated into the acceptance reports.

SPECIAL TOOLS AND ACCESSORIES

Specific tools for maintenance (wheel wrench, pull strainer and adjusting tools) as indicated in the crane manufacturer's official technical manual.

Special tools for maintenance of the turbo diesel engine, it indicated in the engine manufacturer's official technical manual.

It must be provided spare wheel fitted with tire with or without air chamber (spare tire).

A kit of parts for up to 2000 hours operation, including maintenance oils and greases, it must be provided. It indicated in the crane manufacturer's technical manual, this list it must be prepared and presented by systems.

MANUALS

It must be all documentation for the object of this Term of Reference must be delivered in three printed copies. Furthermore, It must be delivered in electronic media, all in Portuguese PT BR, including the Data Book composed of interconnection project, maintenance manual (workshop) of the systems, service, operation and parts, drawings/ diagrams, electro-electronic, hydraulic, lubrication , electronic boards and layout of printed circuits, resident software program and list of parts and components as well as spare parts needed for maintenance.

The maintenance manuals, operation and parts of the turbo diesel must be delivered in Portuguese PT BR.

WARRANTY:

The Crane warranty consists of replacing or repairing parts or components that exhibit manufacturing defects or service failures that compromise the performance or efficiency of the equipment within the manufacturer's pre-set operating range.

The availability of spare parts shall be guaranteed for a period of at least 5 years.

In case of replacement of parts within the 12-month warranty period, the costs will be the responsibility of the manufacturer / contractor. Which this new part your warranty extended for equal period.

The manufacturer must provide a communication channel during the warranty period, through 01 technician to clarify doubts by the End User, as well as send a technician to the End User, within a maximum of 72 hours from the date of the request for correction of possible technicians, if necessary.

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Annex B

**Brazilian Naval Commission in Washington
5130 MacArthur Blvd., NW
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DRAFT

**CONTRACT BETWEEN THE
GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL
THROUGH THE
BRAZILIAN NAVAL COMMISSION IN WASHINGTON**

AND

(the BID WINNER)

**FOR THE ACQUISITION OF:
NEW SELF-PROPELLED HYDRAULIC CRANE, TYPE RT, NOMINAL CAPACITY: 60 T / 3.0m
(As specified in Annex A)**

IFSB N° 03/18

CONTRACT: 70200/ ___/00

**BNC References: DV41000-2018-50001
P2018/95XX**

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Annexes:

Annex A – Technical Specifications of the Object.

Annex B – Seller's Price Proposal dated ____ 2018 submitted for IFSB 03/2018



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CONTRACT ENTERED BETWEEN THE BRAZILIAN NAVAL COMMISSION IN WASHINGTON, AND "Company's Name" FOR THE ACQUISITION OF A SELF-PROPELLED HYDRAULIC CRANE (As specified in Annex A)

This Contract was entered on this (date) at the offices of the Brazilian Naval Commission in Washington, with complete observance of the existing legal provisions, between the Command of the Navy of the Federative Republic of Brazil, represented by Captain Décio Maia de Sales, holder of the United States Department of State PID nº _____, President of the Brazilian Naval Commission in Washington, located at 5130 MacArthur Blvd. NW, Washington, D.C., 20016-3316, and "Company's Name", represented by "Name of the Representative", REP title, REP location.

WHEREAS the present Contract fulfilled all legal requirements of Brazilian Law nº 8.666/93 and its amendments.

WHEREAS this Contract was preceded by IFSB 03/2018.

WHEREAS this Contract was approved by the End User, "Arsenal de Marinha no Rio de Janeiro (ARMJ)", with the Brazilian Navy, according the administrative proceedings.

WHEREAS the legal instruments Rules for Administrative Agreements of the Brazilian Navy (SGM-102, Rev 4, item 13.10.1) and Ordinance nº 180/2001, modified by Ordinances 236/MB/2002, 258/MB/2003, 111/MB/2004, 258/MB/2012, 159/MB/2013 and 626/MB/2014 issued by the Commander of the Brazilian Navy, granted authority to the President of the Brazilian Naval Commission in Washington to sign this Contract on behalf of the Brazilian Navy within its area of jurisdiction.

WHEREAS in order to meet the payments of the costs and expenses referred to in this Contract, funds were allocated through End User's request nº DV41000-2018-50001.

NOW THEREFORE, in consideration of the foregoing, the execution of this agreement by each of the parties hereto, and the full and faithful performance of the covenants, representations and warranties contained herein, it is agreed as follows.

CLAUSE 1 - DEFINITIONS

As used in this Contract, the following terms shall have the meanings given to them below:

- 1.1 The term "Buyer" shall mean the Brazilian Naval Commission in Washington (BNC).
- 1.2 The term "Seller" shall mean "Company's Name", a corporation organized under the United States laws.
- 1.3 The term "End User" shall mean "Arsenal de Marinha no Rio de Janeiro" (AMRJ).
- 1.4 The terms "Equipment" and "Service" shall mean any good(s) or service(s) covered by this contract.



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CLAUSE 2 - OBJECT OF THE CONTRACT

- 2.1 The object of this Contract is the purchase of the products cited below (a, b and c) according to End User's Technical Specification (Annex "A") and Seller's Proposal (Annex "B"), and accepted by the Buyer:
- a) MATERIAL: Acquisition of a Self-Propelled Crane, condition "new". Specifications provided on Annex A also including:
 - Technical Manuals (Operation and Maintenance in Portuguese Language)
 - Special necessary tools for maintenance.
 - b) INTEGRATED LOGISTICS SUPORT: Assembly, commissioning and performance tests, operation and maintenance training, supply and maintenance logistics in Brazil. The Seller ought to have representatives in the city or in the vicinity of Rio de Janeiro, Brazil.
 - c) WARRANTY – A minimum one-year manufacturer complete warranty from installation and End User's certification.
- 2.2 The following documents shall form an integral part of this Contract::
- Annex A – Technical Specifications of the Object;
 - Annex B – Seller's Proposal (Technical and Commercial Proposal)

CLAUSE 3 - PERFORMANCE

- 3.1 Seller agrees certify that the product was tested by the manufacturer, to deliver, to assemble, to commission, to warrant and to provide the Manuals described in Annex A, pursuant to the delivery schedule and in conformity with the Equipment description and all other requirements of this Contract and its Annexes.
- 3.2 Buyer agrees to assist Seller in obtaining licenses and authorizations, related to this Contract that might be required by the Brazilian authorities as well as to provide required documentation for obtaining licenses required by the US government, for instance, End User's Certification.

CLAUSE 4 - TECHNICAL DOCUMENTATION AND SUPPORT

- 4.1 Seller shall send the Technical Manuals specified in Annex "A" to End User in Brazil, to the address below:

Arsenal de Marinha do Rio de Janeiro
Divisão de Guindastes AMRJ 249
At.: RAFAEL Garcia ALVES / CLAUDINEI NAZARETH
Complexo do 1º Distrito Naval, Ilha das Cobras S/Nº
Edifício 04D – Cais Norte
20091-000 Rio de Janeiro-RJ, BRASIL

The manual must be received before the beginning of assembly at the End Users' facilities. Seller must provide proof of the Manuals delivery to the BNC offices in Washington, DC.

- 4.2 Seller shall provide Technical Support for the equipment as specified in Annex "A".
- 4.3 Buyer reserves the right to terminate this Contract if Seller fails to deliver the Manuals or to comply with requests from End User within the scope covered by clause 3.1.



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- 4.4. Training: Seller must provide operational and technical maintenance training for up to 08 operators, and 08 mechanics/electricians should be given in two groups of four participants (operation/maintenance), as recommended in the manufacturer's manual, certificate issuance for the participants. Basement in NR 11 (transport, storage and handling of materials) and NR 12 (machinery and equipment) and NR 16 (activities and dangerous operations). Within the operation training, preventive and predictive maintenance tables should be presented for the adequacy of hours of operation and access to critical lubrication points.
The End User will make available on its premises, room for application of training.
"Company's name" representative will coordinate the date for training with the End User.

CLAUSE 5 - PRICE

- 5.1 The total value of this contract is USD XXX (value spelled out), is firm fixed, and includes CIF-Rio de Janeiro, INCOTERM 2010, and insurance covering 110% of contract value.
- 5.2 All taxes, stamps, insurance, consular fees, and other duties fees or charges levied by the Brazilian authorities will be paid by the Buyer unless these expenses are due to a non-compliance of Clause 8 by the Seller, and all duties, taxes, and fees levied by The United States authorities will be paid by the Seller.
- 5.3 All costs and expenses not specifically addressed in this Contract shall be paid by the party incurring such costs and expenses.

CLAUSE 6 - INVOICES

- 6.1 Invoices shall be to Brazilian Naval Commission in Washington.
- 6.2 Invoices issued by the Seller must conform strictly to this Contract and its Annexes, and any amendment hereto must be agreed to and signed by the Buyer with regard to Order Numbers, Part Numbers, Description and Condition of Material, Unit Prices, Quantities, etc. Any deviations whatsoever in the invoice, as compared to this Contract and its Appendices and amendment, must have had a signed acceptance by the Buyer.
- 6.3 Invoices must contain Seller's banking information that will be needed for the payment by the Buyer. The invoices must also be accompanied by the export license and/or any other document required by United States for the export of the Equipment to Brazil.

CLAUSE 7 - TERMS OF PAYMENT

Payment to Seller shall be made under Net-30-Day term, 30 days after delivery is completed. Payment will be made in full; 100% after the final delivery of the Equipment. The final delivery will occur when the Certificate of Final Acceptance is signed by End User, which will mean that the equipment was successfully inspected and tested; after a warranty certificate is issued by the Seller and after operation and maintenance training is performed.

CLAUSE 8 - QUALITY ASSURANCE AND ACCEPTANCE

It is assumed that regardless of specific requirements, the Seller shall perform on his own initiative quality control, factory testing and other internal tests to verify that all Equipment, parts, and spares conform with the criteria set forth in the applicable specifications and that the equipment meets high standards of quality. No approval or comment by the Buyer in respect to the Seller's work or the Equipment shall affect or diminish the full and absolute responsibility of the Seller to comply with the requirements under this Contract.



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CLAUSE 9 - DELIVERY

- 9.1 The object of this Contract shall be delivered to the Brazilian Navy's warehouse, "Centro de Distribuição e Operações Aduaneiras da Marinha", in Rio de Janeiro, Brazil.

Centro de Distribuição e Operações Aduaneiras da Marinha

CNPJ 00.394.502/0382.06

Arsenal de Marinha do Rio de Janeiro

Contract Number: ____/____/00

Av. Brasil, 10500 - Olaria

Rio de Janeiro, RJ - 21012-350

BRAZIL

Tel: *55-21-2598-0552 Ext: 1552

- 9.2 Seller must ship the Equipment to the Brazilian Navy with a **straight Bill of Lading without intermediate consignees or transshipments.**

- 9.3 In order to allow customs clearance of the Equipment at the Rio de Janeiro port, Seller must provide the shipping documents listed below prior to shipment in order to obtain the Buyer's authorization for delivering in Brazil.

- a) Invoice (01 original duly signed and 01 copy);
- b) Export License, or a Declaration that such License is not required, pursuant to Clause 20 (01 copy);
- c) Packing List (01 original, one copy);
- d) Bill of Lading; and
- e) Proof of Insurance covering at least 110% of the Contract value in favor of Buyer.

Seller may not ship the Equipment before receiving authorization from the Buyer's Export Division. Please contact BNC's Export Division for shipping instructions before shipping of material.

Rodrigo Marchesini
Export Compliance and Shipping Coordinator
(202) 244 3950 ext.: 334
marchesini@marinha.mil.br

- 9.4 Packing list and case markings shall read:

Centro de Distribuição e Operações Aduaneiras da Marinha
CNPJ 00.394.502/0382.06
Arsenal de Marinha do Rio de Janeiro – OMD 41000
Contract Number: ____/____/00
Av. Brasil, 10500 - Olaria
Rio de Janeiro, RJ - 21012-350
BRAZIL

- 9.5 We would like to stress that any delay in the receipt of the above referenced documents or in the issuance of a Bill of Lading not in compliance with sub clause 9.2 and 9.3 might result in



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- customs clearance delays at the Rio de Janeiro port, such additional costs would be incurred by the Seller, as per sub clause 5.2.
- 9.6 The object of the Contract to be supplied shall be suitably packed for sea, in accordance with the Seller's standard commercial practice, and all packing materials utilized shall be deemed to be property of the Buyer.
- 9.7 If Seller anticipates or encounters difficulty that will jeopardize the delivery schedule, Seller shall notify the Buyer in writing immediately, providing pertinent details (including stating the cause(s) and the Seller's efforts to keep on schedule). This request is for informational use only and shall not be construed as a waiver by Buyer of any shipping effort or of any rights or remedies provided at law, or in equity, or under this Contract.
- 9.8 Buyer agrees to assist Seller in obtaining authorizations, which may be required by the Government authorities in Brazil, relating to this Contract.
- 9.9 The object of the Contract shall be suitably packed, in accordance with the Seller's standard commercial practice, and all packing materials utilized shall be deemed property of the Buyer.
- 9.10 Time is the essence with respect to delivery of the Equipment and any other performance required from Seller in this Contract. Delivery is expected by the due date, and if seller fails to meet such schedule and Buyer elects to call for expedited shipments, Seller shall pay any additional costs associated with such shipments.
- 9.11 Seller shall bear the risk of loss of the Equipment until it has been delivered to the delivery point pursuant to this Contract and has been accepted by the Buyer. After receiving the Equipment, the Buyer will be responsible for any loss concerning the Equipment.
- 9.12 It is understood and agreed that Buyer will inspect the Equipment upon its arrival at destination in Brazil. At this inspection, the End User shall have the right to reject the Equipment if any defect is found or otherwise is not in conformity with the requirements in this Contract. The ultimate decision as to whether the goods are in conformity with this Contract shall be the decision of the Buyer alone. In the event of such rejection, the Buyer shall have the right to require the Seller to replace or repair, at the Seller's own risk and expense, the rejected items or lots in order that the Equipment furnished will be in strict conformity with applicable specifications and requirements. In the event that the Buyer rejects the Equipment in accordance with this provision, but does not require that such Equipment be replaced, payments made or to be made shall be equitably adjusted accordingly. The Seller shall be responsible for and shall bear all risks and expenses as to the rejected Equipment after notice of rejection, which Equipment shall be returned promptly by Buyer to Seller. Final inspection and acceptance shall not be conclusive in respect of latent defects or fraud or otherwise restrict the Buyer's rights under any guaranty or any warranty made herein by Seller.

CLAUSE 10 - INSPECTION

The Seller shall perform all inspections and tests according to standard practices that apply to this type of equipment.

CLAUSE 11 - AMENDMENTS

This Contract shall be changed only by means of written Amendment to this Contract dated and signed by the Seller and the Buyer. Under no circumstances shall oral statements and understandings be valid or binding upon either the Buyer or the Seller. No waiver by Buyer or any breach of this Contract or the granting of an extension of time for performance hereunder shall be deemed to be a waiver of any other or subsequent breach.



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CLAUSE 12 – DEFAULT

- 12.1 In the event of any violation by either party under this Contract, or, in the case non-delivery of the Equipment by Seller herewith, the aggrieved party may, but is not required to terminate this Contract for default in whole or in part, and seek the remedies as set forth below.
- 12.1 Buyer may terminate this Contract, in whole or in part, for Seller's default by written notice to Seller in accordance with Article 16 below. If Buyer terminates this Contract in part, Seller shall continue performance of this Contract to the extent not terminated.
- 12.2 In the event of termination for Seller's default, Buyer shall have all remedies provided in this Contract and all rights and remedies available under applicable law. The rights and remedies of Buyer under this Contract are cumulative with, and in addition to, all other rights and remedies available under applicable law.

CLAUSE 13 – WARRANTY

- 13.1 The Crane warranty consists of replacing or repairing parts or components that exhibit manufacturing defects or service failures that compromise the performance or efficiency of the equipment within the manufacturer's pre-set operating range. The availability of spare parts shall be guaranteed for a period of at least 5 years. In case of replacement of parts within the 12-month warranty period, the costs will be the responsibility of the manufacturer/contractor. The replaced part warranty will be extended for equal period.
- 13.2 The manufacturer must provide a communication channel during the warranty period, through 01 technician to clarify doubts from the End User (Arsenal de Marinha do Rio de Janeiro – AMRJ), as well as send a technician within 72 hours from the time of the technical support request.
- 13.3 The warranty applicable to repaired or substituted Equipment will be 06 months after its return to the End User, but will not expire before the original warranty.
- 13.4 Seller shall be responsible for payment of shipping and insurance costs of any defective part or Equipment returned to repair, overhaul, or substitution at the Seller's facility, as well as any international shipping that might occur.
- 13.5 Seller's refusal or failure to perform as required under this warranty shall constitute a reasonable and justified excuse for Buyer to withhold from the unpaid balance of the purchase price, or to recover from the Seller, a sum equal to what it costs the Buyer to replace or repair any defective Equipment that Seller has refused or failed to replace or correct in a timely manner as required in accordance with this warranty.
- 13.6 The warranties, obligations, and liabilities of Seller shall survive delivery, and shall not be deemed waived either by reason of Buyer's acceptance of said Equipment or by payment for them.
- 13.7 The rights and remedies of Buyer provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity.

CLAUSE 14 - EXCUSABLE DELAYS

- 14.1 Neither the Buyer nor the Seller shall be deemed to be in default or to fail to perform or delay any of its obligations under this Contract if such default, failure or delay is directly due to any of the following circumstances considered *force majeure* and such circumstances are beyond the affected party's reasonable control and could not be avoided by exercising due care: (a) war, riot, insurrection or other civil commotion, (b) strike, lockout or other labor dispute, (c) fire, flood or other act of God, (d) labor, material, transportation or utility shortage or curtailment, or (e) governmental order, decree or regulation, of (f) other similar circumstances. Nothing in this



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article will restrict or impair the right of either Buyer or Seller to terminate this Contract on other grounds or to exercise any other right or remedy based on any breach or other circumstances that are not excused.

- 14.2 Seller shall notify the Buyer of such failure or delay by a written notification, within three (3) days from the date of actual occurrence of *force majeure* circumstance set forth in Article 14.1, and shall, subsequently, send to the Buyer a written confirmation.
- 14.3 When such written notification and such written confirmation as provided in Article 14.2 have been delivered to the Buyer, the latest date for shipment of the Equipment will be extended until *force majeure* circumstance has ceased. However, if such *force majeure* circumstance continues for more than 90 (ninety) days, the remainder portion of this Contract to be performed by the Seller may be terminated at the option of the Buyer, by giving notice to the Seller. In the event of such termination by the Buyer, the Seller shall not make any claim for compensation against the Buyer with respect to such termination.

CLAUSE 15 - PENALTIES/LIQUIDATED DAMAGES

In the event Seller fails to deliver the Equipment in accordance with the delivery schedule set forth in this Contract or if Seller delivers nonconforming Equipment in accordance with such delivery schedule, and such failure is not excused pursuant to Article 14, Buyer shall be entitled to collect damages from Seller for the delay in delivery at the daily rate of 0.1% (one-tenth) percent of the price of the Equipment specified in this Contract for each day until conforming Equipment is delivered to Buyer, provided that such liquidated damages shall not exceed 10% (ten) percent of the price of the Equipment specified in this Contract. Nothing in this Article 15 shall be deemed to restrict Buyer's right to terminate this Contract, in whole or in part, in accordance with the terms hereof.

CLAUSE 16 - NOTICES

- 16.1 All notices required or permitted to be given hereunder shall be in writing and in English, and shall be deemed to be properly given if delivered personally, by fax or email followed by a subsequent certified mail notification. Addresses of Seller and Buyer are listed below. The effective time of notice shall be upon receipt.

To Seller: Company's name
 To Buyer: Brazilian Naval Commission
 Attn. LCDR Ana Garcia / Etna Cavalcante
 Contract No. -----/---
 5130 Mac Arthur Boulevard, N.W.
 Washington, D.C. 20016-3316

Email: etna@marinha.mil.br
 Tel: (202) 244-3950, ext. 341, fax: (202) 364-7173

- 16.2 Seller shall notify Buyer at least three (3) months in advance of any planned halt of production of the Equipment or of any of its components to be supplied under this Contract.



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CLAUSE 17 - GOVERNING LAW

This contract is governed by the laws of the District of Columbia. Any controversy or claim arising out of or relating to this Contract will be determined in accordance with the laws of the District of Columbia, and Buyer and Seller will submit to the federal courts sitting in the District of Columbia.

CLAUSE 18 – DISPUTES

- 18.1 If the parties are unable to amicably settle a dispute or controversy that arises from or related to this Contract, the settlement shall be determined by arbitration in accordance to the International Center for Dispute Resolution of the American Arbitration Association.
- 18.2 The place of arbitration shall be Washington, D.C., the number of arbitrators shall be three and the award of the arbitrators shall be final and binding on the parties. Each party shall select one arbitrator within 30 (thirty) days after the commencement of the arbitration and the two arbitrators shall select a third. If either party fails to select an arbitrator within such time period, the arbitrator selected by the other party shall be the sole arbitrator. If the two arbitrators do not agree on the selection of a third arbitrator within 45 (forty-five) days after the commencement of the arbitration, the American Arbitration Association shall select the third arbitrator.
- 18.3 The arbitration shall be conducted in the English language, and all documentation shall be in the English language.
- 18.4 The arbitration award shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues or accountings presented or pled to the arbitrators. The award shall be payable in U.S. Dollars. Any costs, fees, and expenses incurred in connection with enforcing the award shall, be charged against the party resisting such enforcement.
- 18.5 The award shall include interest from the date of the breach or other violation of this Contract. The arbitrators shall also fix the appropriate rate of interest from the date of the breach or other violation to the date when the award is paid in full. In no event, however, should such interest rate during such period be lower than the prime commercial lending rate announced by Bank of America for 90 (ninety)-day loans for commercial borrowers for the corresponding period.
- 18.6 Judgment upon the arbitration award may be entered by any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Article 19 shall be construed to prevent Buyer from seeking injunctive relief or other interim measures during the pending of the arbitration.
- 19.7 All notices to be given in connection with the arbitration shall be in writing. All notices shall be sent to BNC, to the address stated in Clause 16.1.

CLAUSE 19 - EXPORT LICENSE

- 19.1 Seller shall ensure compliance with U.S. and foreign laws, regulations and governmental requirements applicable in the context of selling to Buyer, the shipping to Brazil and other



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transactions contemplated by this Contract, including, without limitation, all special identification marking requirements of the U.S. Coast Guard and the U.S. Department of Commerce.

- 19.2 Seller shall obtain all licenses required for the export of the Equipment from the United States to Brazil. Upon Seller's request, Buyer will provide the Seller with a "Nontransferable and End Use Certificate" form DSP-83.
- 19.3 If no export license is required, Seller is required to notify the buyer in writing.

CLAUSE 20 - ADDITIONAL EQUIPMENT

- 20.1 Seller agrees to provide Buyer with data relating to any improvement which may be introduced during the useful life of the Equipment.
- 20.2 If Buyer decides to incorporate these modifications, the cost of providing such data, including modifications in the documentation, will be borne by the Buyer.
- 20.3 Buyer shall have the right to purchase additional equipment related to the object of this Contract. Any additional purchase will be made through an Amendment to this contract.
- 20.4 The terms and delivery schedule will be agreed upon by both parties, before the signature of the Amendment.

CLAUSE 21 - LIABILITY FOR NEGLIGENCE

- 21.1 Seller shall be liable for any death or personal injury, and loss of or damages to property caused by their negligence that might occur, while processing and fulfilling this contract and while its validity.
- 21.2 Buyer shall be liable for any death or personal injury, and loss of or damages to property caused by their negligence that might occur, while processing this contract and while its validity.

CLAUSE 22 - TERMINATION

- 22.1 In the event of a material breach by either party of its obligations under this Contract or, in the case of the Seller, non-delivery of conforming products in accordance herewith, the aggrieved party may, but is not required to, terminate this Contract for default in whole or in part, and seek the remedies as set forth below.
- 22.2 Buyer may terminate this Contract, in whole or in part, for Seller's default by written notice to Seller in accordance with Article 15. If Buyer terminates this Contract in part, Seller shall continue performance of this Contract to the extent not terminated.
- 22.3 In the event of termination for Seller's default, Buyer shall have all remedies provided in this Contract and all rights and remedies available under applicable law. The rights and remedies of Buyer under this Contract are cumulative with, and in addition to, all other rights and remedies available under applicable law.
- 22.4 Buyer may terminate this Contract by written notice addressed to the Seller, if:
- Delivery is due for more than 3 (three) months, as per Clause 9;
 - The Seller fails to comply with any other contractual obligations and does not take measures to remedy such default, within 30 (thirty) days from the receipt of the written notice from the Buyer, requesting them to do so;



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- c) The Seller fails to make satisfactory progress in the work and services, so as to endanger performance in accordance with the terms of this contract, or perform any other provision resulting in material breach of the contract;
- d) The Seller becomes insolvent, undergoes voluntary or compulsory liquidation, except for the purpose of consolidation or merger;
- e) The Seller transfers or assigns its rights and obligations under this Contract, without the previous written consent from the Buyer.

22.5 In the event Buyer should terminate this Contract, in whole or in part, for convenience, Seller has the right to a negotiated cost incurred in the process of Equipment production commensurate with the work completed. This amount shall be negotiated between Buyer and Seller.

CLAUSE 23 - TECHNICAL DATA

- 23.1 Seller must provide all standard documentation and manuals required to identify the various components of the Equipment.
- 23.2 Upon request, the Seller will keep the Buyer updated regarding modifications in identification of the Equipment, its spare parts and about data related to handling the material.
- 23.3 All technical information from the documentation provided by the Seller for catalog purposes may be used in connection with national and international transactions. In case the specific data are classified as confidential, they will not be used outside the Brazilian Government without express authorization of the Seller.
- 23.4 The following data regarding the identification and handling of the items related to the Equipment will be required from the Seller:
 - a) Item denomination;
 - b) Name and address of the Supplier;
 - c) Manufacturer reference number;
 - d) Item part number;
 - e) NATO Stock Number, if existent;
 - f) Price per unit in USD

Data including items "a" through "f" in Clause 24.4 will be provided for items included in the recommended spare parts kit. Data for other items related to the Equipment will be provided upon request on item by item basis.

23.5 Seller is responsible for all costs and expenses of providing the Catalog data as mentioned in this clause.

CLAUSE 24 - INTELLECTUAL PROPERTY RIGHTS

24.1 Seller warrants that the Equipment purchased hereunder does not infringe any patent registration granted by the Government of the United States and the Government of Brazil, any copyright, trade secret, or other intellectual property right in the United States or Brazil, with respect to the use of the Equipment delivered hereunder.



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24.2 Seller agrees to hold harmless and protect the Buyer against any liability, including without limitation, costs, expenses and attorney's fees for or by reason of any actual or alleged infringement of any patent, copyright, trade secret or any intellectual property right arising out of the design, manufacture, use, sale, delivery or disposal of the Equipment furnished under this Contract.

CLAUSE 25 – EFFECTIVE DATE

This Contract shall be in effect and enforceable upon the signature by both parties. And the Contract shall remain into force until all obligations therein are satisfactorily fulfilled.

CLAUSE 26 – SUPERVISION

The execution of this Contract will be carried out by a Supervisor that should be the incumbent of End User.

CLAUSE 27 – COPIES

This Contract is made in two original counterparts: one for the Buyer and one for the Seller. Copies of the contract will be provided to.

- a) Arsenal de Marinha do Rio de Janeiro
- b) Depósito Naval no Rio de Janeiro

And, it is hereby agreed that both parties have accepted the provisions of this Contract, which was read and agreed with and signed by Captain Décio Maia de Sales, President of the Brazilian Naval Commission in Washington, representing the Buyer and "Names of Company's REP", the Seller, and witnessed by _____, BNC representative.

Décio Maia de Sales
Captain, BNC
President

Company's REP
Title

Witnesses:

Renato Etcheverria
CDR, BNC
Head of Purchasing Division

Ana Cristina Rodrigues Brites Garcia
LCDR, BNC
Head of Contracts Division