



**BRAZILIAN NAVY
BRAZILIAN NAVAL COMMISSION IN WASHINGTON**

CONTRACT FROM TJDL n° 90013/2024

between

BRAZILIAN NAVAL COMMISSION IN WASHINGTON

and

AKS INDUSTRIES, INC

for

the acquisition of the ALASKA Tent System spare parts.

Contract N° 70200/24-20/00

Process NUP: 63181.002111/2024-75

Contract N° 70200/24-20/00

Contract signed between the Brazilian Naval Commission in Washington and AKS Industries, Inc. for the acquisition of the ALASKA Tent System spare parts.

The Brazilian Federal Government, through the Brazilian Naval Commission in Washington (BNCW), Brazilian Navy, located at 5130 MacArthur Blvd., N.W., Washington, DC, 20016, represented herein by his President, **CAPT ALEXANDRE VIZEU DIAS**, appointed by Directive N° 62, 2023, holder of Brazilian Navy Identification Card N° 536541-4, hereinafter referred to as **BUYER**, and the company **AKS INDUSTRIES, INC**, with main office located at 6991 East Camelback Road, Suite D-216 Scottsdale, AZ 85251, United States of America, hereinafter referred to as **SELLER**, represented by **BRIENY PASSERI OTTO**, holder of ID n. P263-060-90-522-0, in view of what is stated in Process n°. **63181.002111/2024-75**, and in compliance with the provisions of GM-MD Regulation n° 5.175, of December 15, 2021, adapted to the peculiarities to the local regulations and Brazilian Law n° 14.133, of April 1, 2021, decide to execute this Contract Agreement, arising from the Bid Waiver (TJDL) No. 90013/2024, according to the clauses and conditions stated below.

1. CLAUSE ONE - OBJECT OF THE CONTRACT

1.1 The purpose of this Contract Agreement is the acquisition of the ALASKA Tent System spare partes, as per the table below, and according to the conditions on the SELLER's quote , which is attached, regardless of transcription, as well as the Terms of Reference.

1.2 Object of the contract:

ITEM	SPECIFICATION	PART	UI	QTY	UNIT COST	TOTAL (USD)
1	Alaska Interior Electrical Package, 20' x 19.5' with Fluorescent Lights	AKS-AR246	EA	10	4,371.00	43,710.00
2	Alaska Non-Slip Floor, 20' x 19.5', XP, 28oz.	AKS-AX928	EA	8	2,182.00	17,456.00
3	Alaska One Piece Liner, 20' x 19.5' XP, V6 or V8	AKS-AG519	EA	4	2,298.00	9,192.00
4	Alaska 16' x 16' XP® Replacement Liner Set	AKS-BF102	EA	4	1,232.00	4,928.00
5	Alaska Interior Electrical Package, 16'	AKS-BF103	EA	4	3,764.00	15,056.00

	x 16' with Fluorescent Lights					
6	Alaska Universal Liner, 20'W Hub Shelter	AKS-AA770	EA	1	459.00	459.00
7	20'W 4-Way Hub, with Fluorescent Lights	AKS-BF104	EA	1	2,898.00	2,898.00
8	Alaska Replacement Ballast for 50 Watt Multi-Volt Light	AKS-AI858	EA	50	109.00	5,450.00
9	Alaska Fluorescent Light 50W, Replacement Bulb	AKS-AH730	EA	100	91.00	9,100.00
10	Alaska XP® Hard door Side Brace	AKS-AB304	EA	4	36.00	144.00
11	Alaska Purlin, XP Shelter®	AKS-AA126	EA	6	355.00	2,130.00
12	Alaska Fluorescent Light Hanging Bracket	AKS-AM406	EA	50	18.55	927.50
13	Alaska Exhaust Fan Assembly	AKS-AB152	EA	2	312.00	624.00
14	Alaska Toilet Paper Holder	AKS-AB183	EA	10	68.00	680.00
15	Alaska Drain	AKS-AX494	EA	15	8.36	125.40
16	Alaska Plenum Straight Section, 19.5'L Shelter, 16" Dia	AKS-AB096	EA	9	235.00	2,115.00
17	Alaska 20'W Shelter Plenum Elbow Section	AKS-AA033	EA	9	268.00	2,412.00
18	Alaska 100' Power Cable, 60A	AKS-AE536	EA	3	2,968.00	8,904.00
19	Alaska Wood Crate	AK-CRATE-01	EA	3	616.00	1,848.00
	Total Price FCA Origin					128,158.90
	Shipping to Sterling VA:					4,290.00
TOTAL AMOUNT OF THE CONTRACT						\$132,448.90



1.3 This contract is bound by the following, regardless of transcription:

- 1.3.1 The Terms of Reference;
- 1.3.2 The Bid Waiver Term; and
- 1.3.3 The **SELLER's** quote.

2. CLAUSE TWO - TERM AND EXTENSION

2.1 The Contract's validity is 12 (twelve) months, extendable for an equal period, provided that the conditions and prices remain advantageous for the public administration.

2.1.1 The term will be automatically extended, regardless of an additional time, when the object is not completed within the established period, with the exception of measures applicable in case of the **SELLER's** fault, as provided for herein.

3. CLAUSE THREE - DELIVERY AND CONTRACT MANAGEMENT

3.1 This acquisition must adhere to environmental sustainability criteria, based on Law No. 12.187/2009, in conjunction with international commitments undertaken by the Brazilian government, so that the **SELLER**, if possible, prioritizes recycled and recyclable products, compatible with socially and environmentally sustainable consumption standards.

Delivery Conditions

3.2 The delivery of the material must include the transporting of the item, which must be delivered to the BNCW freight forwarder, within a maximum period of **120 (one hundred and twenty) days**, after the contract's signature, **in one batch**. The **SELLER** will ship the material to the following address ("Notify Party" must be the same as consignee) "Karpeles Freight Services INC. - 113 Executive Dr, Suite 114, Sterling, VA, 20166 USA."

3.3 Delivery must be made following INCOTERM 2020 - FCA, to the abovementioned address.

3.4 To enable customs clearance of the Object in Brazil, the **SELLER** must provide the shipment documents listed below to obtain BNCW authorization for delivery:

- a) Invoice (signed by the **SELLER**);
- b) Export License or a Declaration stating that no Export License is required;
- c) Packing List (must include detailed net weight, dimensions, and gross weight of packages);
- d) Draft AWB/BL and Final document – once available;
- e) Proof of insurance covering at least 110% of the Contract value in favor of BNCW; and
- f) MSDS and IMPG/DGD, if any material is considered hazardous.

3.5 The **SELLER** will not ship the material before receiving the authorization from BNCW's Shipping Division. The **SELLER** must contact BNCW's shipping division for shipping instructions before sending any material. Contact details: Tel: (202) 244 3950 ext.: 332 e-mail: cnbw.shipment@marinha.mil.br.

3.6 For direct shipment to Brazil, notwithstanding the provisions of INCOTERMS 2020, ICC Publication No. 723E, if the Material cannot be cleared by the Brazilian Navy and must be held in storage by customs authorities due to **SELLER** negligence regarding shipping documentation, any storage charges will be the responsibility of the **SELLER**.

Marking Instructions:

3.7 The packing list and the label must contain the following information:

Billing Address: BRAZILIAN NAVAL COMMISSION IN WASHINGTON - 5130 MacArthur Blvd, Washington, DC 20016 USA;

Consignee: MARINHA DO BRASIL CENTRO DE DISTRIBUIÇÃO E OPERAÇÕES ADUANEIRAS DA

MARINHA - Av. Brasil 10500 - Olaria - Rio de Janeiro - RJ - Brasil - 21012-350
CNPJ: 00.394.502/0382-06 / Recinto Alfandegado: 7.93.35.012
OMD: +55 (21)2189-1503 - ramal 1541 / OMS: +55 (21)2189-1503 - ramal 1541
CONTRACT: **70200/24-20/00**

3.8 In accordance with international shipping requirements, all hazardous goods must be properly marked and labeled according to IATA or IMDG standards and must include a MSDS (Material Safety Data Sheet) and DGD (Dangerous Goods Declaration).

3.9 In accordance with international shipping requirements, all wooden packaging (crates, skids, etc.) must comply with all ISPM-15 (International Standards for Phytosanitary Measures No. 15) requirements regarding heat treatment.

3.10 The **SELLER** will be responsible for payment of any charges related to delays in customs clearance by the Brazilian Customs if such charges are due to discrepancies in the provided documentation.

3.11 The **SELLER** shall deliver the products in perfect condition, in accordance with the technical specifications, deadline, and location specified in this contract.

3.12 The acquired equipment must be new, without any prior use or reconditioning history;

3.13 Packaging, preservation, and transportation must comply with sanitary requirements and other applicable standards in the country where it is supplied.

3.14 The **SELLER** shall, at its own risk and expense, obtain any export license or other official authorization and comply, where applicable, with all necessary customs formalities for exporting the goods/services to Brazil, in accordance with INCOTERMS 2020, ICC Publication No. 723E. The **BUYER** shall not bear any costs related to export license applications.

3.15 This Contract will be overseen by the Contract Manager and monitored by the inspection team designated by the Brazilian Marine Corps Material Center.

4. **CLAUSE FOUR - SUBCONTRACTING**

4.1 Subcontracting will not be permitted.

5. **CLAUSE FIVE - CONTRACT AMOUNT**

5.1 The total amount of this Contract is USD \$132,448.90 (One hundred thirty-two thousand four hundred forty-eight American dollars and ninety cents)

5.2 The amount above includes all direct and indirect ordinary expenses resulting from the execution of the object, including administration fees, freight charges, insurance, and any other charge necessary for full compliance with the object of the contract.

6. **CLAUSE SIX - PAYMENT**

6.1 The deadline for payment is **30 (thirty) days** after certification of complete delivery and inspection of the item in the Brazilian Naval Commission freight forwarder in Sterling, Virginia.

6.2 In case of partial delivery, invoices will be paid individually.

6.3 Payment will be made in US dollars by wire transfer to the account provided by the **SELLER**.

6.4 The **BUYER** will not be responsible for any fees charged by the **SELLER's** financial institution.

6.5 Invoices issued by the **SELLER** must strictly comply with this Contract and must present the following information:

- a) Addressed to the Brazilian Naval Commission in Washington;
- b) Price in dollars;
- c) Contract number;
- d) Address of destination;
- e) Delivery term: CIF – Port of Rio de Janeiro, Brazil;
- f) Description of the item, PN, and NSN;
- g) Quantities and unit prices, as presented in the price proposal; and
- h) **SELLER's** Banking information for payment (account number, ABA and SWIFT).

6.6 The final Invoice must be sent to the **BUYER** by email to cnbw.shipment@marinha.mil.br.

6.7 Invoices not containing all the information required in clause 6.5 will not be accepted, and a revised Invoice will be requested. In this case, the payment deadline may be affected, and **BUYER** will not bear any late payment costs.

6.8 Payment is subject to discounts resulting from administrative penalties due to non-compliance with contractual performance.

6.9 The **BUYER** is exempt from taxes nationwide on purchases over **USD 500.00**. A copy of the tax exemption card can be provided upon request.

7. CLAUSE SEVEN – READJUSTMENT

7.1 The prices initially agreed upon are fixed and non-adjustable within the contract term.

8. CLAUSE EIGHT - BUYER'S OBLIGATIONS

8.1 The **BUYER's** obligations are:

8.1.1 Require the fulfillment of all obligations assumed by the **SELLER**, following the Contract and its attachments;

8.1.2 Receiving the object in the period and conditions established in this Contract;

8.1.3 Reject, in whole or in part, the contracted object when in disagreement with the specifications contained in the Contract and its annexes;

8.1.4 Notify the **SELLER**, in writing, about vices, defects, or inaccuracies found in the supplied object so that it may be replaced, repaired, or corrected, in whole or in part, at its expense, according to the conditions established in this Contract;

8.1.5 Monitor and inspect the performance of the Contract and the **SELLER's** compliance with its obligations;

8.1.6 Pay the **SELLER** the amount corresponding to the supply of the object in the period, form, and conditions established in this Contract;

8.1.7 Apply sanctions to the **SELLER** in accordance with the law and this Contract;

8.1.8 Issue a decision on all requests and complaints related to the execution of this Contract, except manifestly impertinent requests, merely delaying or devoid of interest for the proper execution of this agreement;

8.1.9 The Administration will have a period of 1 month, counting from the date of the request protocol, to decide, allowing for a motivated extension, for an equal period;

8.1.10 Notify the **SELLER** in writing of the occurrence of any imperfections, failures, or irregularities found during the execution of the services, setting a deadline for their correction, making sure that the solutions proposed by it are the most appropriate;

8.1.11 Supervise the execution of this contract; and

8.1.12 The Administration will not be liable for any commitments undertaken by the **SELLER** with third parties, even if linked to the execution of the Contract, as well as for any damage caused to third parties as a result of an act of the **SELLER**, its employees, agents or subordinates.

9. CLAUSE NINE - SELLER's OBLIGATIONS

9.1 The **SELLER** shall comply with all obligations contained in this Contract, assuming as exclusively its risks and expenses resulting from the good and perfect execution of the object, observing, also, the obligations set forth below:

9.1.1 Comply with the regular requests issued by the contract supervisor or higher authority and provide any clarification or information requested by them;

9.1.2 Be responsible for defects and damages resulting from the execution of the object and any damage caused to the Administration or third parties. This responsibility does not reduce the supervision or monitoring of the contractual execution by the **BUYER**, who will be authorized to deduct from the payments due or of the warranty, if required in the Bid Notice, the amount corresponding to the damages suffered;

9.1.3 Be responsible for complying with all labor, social security, tax, commercial and other obligations provided for in specific legislation, whose default does not transfer the responsibility to the **BUYER** and may not encumber the object of the Contract;

9.1.4 Keep during the whole validity of the Contract, in compatibility with the obligations assumed, all the conditions required for qualification in the bid process;

9.1.5 Keep confidential all information obtained as a result of the Contract;

9.1.6 Assume responsibility for any discrepancies in the proposed price, including any variable costs due to unforeseen future factors, making necessary adjustments if the initial estimate in the proposal does not adequately serve the Contract's purpose, except to re-establish the initial financial balance of the Contract in case of force majeure, unforeseeable circumstances, governmental actions, or events, predictable or not, with unforeseen outcomes that hinder the Contract's agreed-upon execution;

9.1.7 Notify the **BUYER** of any impediments that may result in delays or suspension of the delivery of the contracted object;

9.1.8 Assume responsibility for tax expenses arising from this contract;

9.1.9 Assume responsibility for property damage or any losses arising from this Contract when caused by the direct or indirect action, omission of its employees, or subcontractors acting on its behalf.

9.1.10 Repair, correct, remove, reconstruct or replace, at its own expense, in whole or in part, within the period set by the contract inspector, the goods in which defects, defects or inaccuracies are found; and

9.1.11 Do not allow the use of any work of minors under the age of sixteen, except as an apprentice for those over the age of fourteen, nor allow the use of the work of minors under the age of eighteen in night, dangerous or unhealthy work.

10. CLAUSE TEN- HIRING GUARANTEE

10.1 There will be no requirement for a Contract guarantee.

11. CLAUSE ELEVEN - ADMINISTRATIVE INFRACTIONS AND SANCTIONS

11.1 For the total or partial non-execution of the Contract, the **BUYER** can, guaranteeing a previous defense, apply to the **SELLER** the following sanctions:

a) Warning;

b) The unjustified delay in the execution of the Contract, starting from the first day of the postponement of the service, will subject the **SELLER** to the fine of 0.1% (0.1 percent) for a day of delay, limited to 30 days (thirty) days. Reaching this limit, the fine will be converted into a compensatory fine;

c) Compensatory fine, in a percentage of 10 (%), levied on the value of the unfulfilled portion of the Contract;

d) Temporary suspension from participation in bids and impediment to Contract with this Naval Commission for a period not exceeding two (2) years; and

e) Declaration of ineligibility to bid or Contract with the Brazilian Public Administration while the reasons that determined the punishment last or until rehabilitation is promoted before the authority that applied the penalty, which will be granted whenever the **SELLER** reimburses the **BUYER** for the

resulting damages and after the period of the sanction used based on the item "c" elapses.

11.2 The penalties provided in item 11.1, paragraphs "a," "d," and "e" may be applied together with one of the paragraphs "a" and "b," being allowed the previous defense of the **SELLER**, in the respective process, within 5 (five) working days.

11.3 The sanction established in paragraph "e" of item 11.1 is of the exclusive competence of the Minister of Defense, the defense of the **SELLER** being allowed in the respective process within 10 (ten) days of the opening of the case, and the rehabilitation can be requested after 2 (two) years of its application.

12. CLAUSE TWELVE - CONTRACT TERMINATION

12.1 The Contract will be terminated when the obligations of both parties are fulfilled, even if this occurs before the stipulated deadline.

12.2 If the obligations are not met within the stipulated time, the term will be extended until the completion of the object, in which case the Administration shall provide the readjustment of the schedule set for the Contract.

12.3 When the non-conclusion of the Contract referred to in the previous item results from the **SELLER's** fault:

12.3.1 It will be constituted in default, being applicable to the respective administrative sanctions; and

12.3.2 The Administration may choose to terminate the Contract and, in this case, will adopt the measures allowed by law for the continuity of Contract enforcement.

12.4 Total or partial non-performance of the contract will result in its termination, with the applicable contractual, legal and regulatory consequences, and will be formally motivated, ensuring contradictory and full defense.

12.5 The **BUYER** retains the prerogative to terminate the aforementioned Contract due to contractual non-performance by delivering written notice to the **SELLER**. Such action may prompt the initiation of an Administrative Liability Process, guaranteeing due process and full defense in the following circumstances:

- a) Failure by the **SELLER** to fulfill any contractual obligations or irregular fulfillment of contractual clauses, specifications, projects, and terms, without taking remedial actions after formal notification from the **BUYER**;
- b) Delays in compliance leading to the **BUYER** demonstrating the impossibility of completing delivery within the agreed-upon deadlines;
- c) Insolvency of the **SELLER**, voluntary or compulsory liquidation, except in cases of merger;
- d) Unjustified delays in the delivery of the contracted object by the **SELLER**;
- e) Interruption of the supply without justifiable cause and prior communication to the Administration;
- f) Total or partial subcontracting of the contracted object, association of the **SELLER** with others, total or partial assignment or transfer, merger, split, or incorporation not permitted in the contract;

- g) Non-compliance with regular determinations issued by the designated authority responsible for monitoring and supervising contract execution, as well as those from superiors;
- h) Declaration of bankruptcy or initiation of civil insolvency proceedings;
- i) Company dissolution or death of the **SELLER**, if applicable;
- j) Corporate alterations or changes in the purpose or structure of the Contract that impede its performance;
- k) Elimination of services resulting in a modification of the initial contract value exceeding the allowable limit of 25% (twenty-five percent) of the initial updated contract value.

13. CLAUSE THIRTEEN - BUDGET ALLOCATION

13.1 Expenses to attend this bidding process are programmed in a specific budget allocation, foreseen in the Union budget for the 2024 fiscal year, in the classification below:

Management/Unit:	00001/31000
UGR/UGE	31000/70200
PTRES:	249020
Internal Action:	OCS 70003000
Nature of Expense:	339030



14. CLAUSE FOURTEEN - OMITTED CASES

14.1 The **BUYER** will decide the omitted cases according to the provisions of the Law n. 14.133/21 and Regulation GM-MD N° 5.175, of December 15, 2021 and other Brazilian norms.

15. CLAUSE FIFTEEN - MODIFICATIONS

15.1 The **SELLER** is required to accept, under the same contractual conditions, the additions or deletions that may be necessary up to the limit of 25% (twenty-five percent) of the updated initial value of the Contract.

15.2 Contractual amendments shall be effected through the execution of an addendum, subject to prior approval by the **BUYER's** legal team, except in cases where there is a justified need for the anticipation of its effects, in which case the addendum must be formalized within a maximum period of 1 (one) month.

15.3 Registrations that do not characterize alteration of the Contract may be done by simple addendum, dispensing the celebration of an amendment., as provided in Article 136 of Law No. 14,133, dated 2021.

16. CLAUSE SIXTEEN - PUBLICATION

16.1 It is the responsibility of the **BUYER** to publish this instrument in the “Diário Oficial da União”, on the Brazilian Navy Bidding Portal.



17. CLAUSE SEVENTEEN- FORUM

17.1 If the **PARTIES** cannot resolve any disputes arising from or relating to this Contract amicably, such claims shall be determined by arbitration following the International Arbitration Rules of the "American Arbitration Association".

17.2 The place of arbitration will be in Washington, DC, the number of arbitrators will be three, and the arbitrator's decision will be final and binding on the **PARTIES**. Each party shall select one arbitrator within thirty (30) days after the commencement of the, be arbitration, and both arbitrators shall select a third. If either party fails to appoint an arbitrator within this period, the arbitrator chosen by the other party will be the sole arbitrator. Suppose 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 will select the third arbitrator.

17.3 The arbitration must be conducted in English, and all documentation must also be in English. The arbitration award shall be the sole and exclusive remedy between the parties concerning claims, counterclaims, issues, or bills presented or pleaded to the arbitrators. The award must be paid in US Dollars, net of any tax, deduction, or offset. Any costs, fees and, expenses incurred in enforcing the judgment will be charged against the party resisting such enforcement.

17.4 All notices relating to the arbitration shall be in English and writing.

17.5 The dispute or claim arising out of or relating to the Contract will be determined following the Maritime and Commercial Laws applicable to this type of trade, and the parties will submit to the jurisdiction of the federal courts located in the District of Columbia. They will waive the right to claim a lack of personal jurisdiction in any legal process.



18 - FORCE MAJEURE

18.1 The parties will consider cases of force majeure, for the purpose of counting the deadlines established in this Contract, as those events which, being unforeseeable or unavoidable, may prevent one of the parties from meeting the scheduled dates. Neither party will be responsible for delays or failures in the performance of any part of this Contract if such delay or failure is caused by events beyond the reasonable control of that party or its subcontractors ("Force Majeure").

18.2 The following are considered Force Majeure, including but not limited to: war, insurrection, revolution, civil war, strike, blockade, epidemic, pandemic, outbreak, nuclear radiation, shortage of materials or utilities, fire, earthquake, tsunami, typhoon, storm, flood, volcanic activity, pressure waves, and acts of nature, adverse weather conditions, government actions, and others that, according to Subclause 12.6 letter C, are beyond the control of the affected party and prevent the fulfillment of this Contract.

18.3 In the event of Force Majeure, the affected party must notify the other party in writing within 10 (ten) business days from the onset of the Force Majeure period. The affected party must inform the other party of the consequences of the Force Majeure in relation to delays under the Contract and the time required to overcome these delays. By mutual agreement of the parties, the scheduled dates will be extended by the respective periods of Force Majeure.

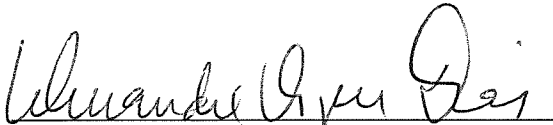
18.4 The contracting parties may terminate this contract if the force majeure period persists for 6

(six) months.

19 - CLAUSE EIGHTEEN - COPIES

19.1 To secure and validate what has been agreed upon, this Contract has been drawn up in two **COPIES** of equal content, which the contracting **PARTIES** have signed after having been read and found to be in order.

Washington, DC, November 08th 2024.

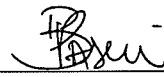


ALEXANDRE VIZEU DIAS
Captain - Brazilian Navy
President

Witness:



LUIZ CARLOS REIS DE LIMA
Commander - Brazilian Navy
Head of Purchasing Department



BRIENY PASSERI OTTO
Business Development
AKS Industries, Inc



Jennifer Amy Jackson
Senior Sales Operation Manager
AKS Industries, Inc