

Term of Reference 121/2024

Basic Information

Artifact number	UASG	Editedby	Updatedon
121/2024200334-COORDINATION-OF ADMINISTRATION-COAD		LUCIAN RICARDO GUEDES FIDELIS	04/12/2024 09:17 (v 3.0)
Status	COMPLETED		

Other information

Category	Contract Number	Administrative Process
II - purchase, including to order/Consumer goods		08200.003046/2024-11

1. Definition of the object

1. GENERAL CONTRACT CONDITIONS

Acquisition of ammunition of various calibers for operational use and training in the interest of the various units of the Federal Police, under the terms of the table below, in accordance with the conditions and requirements established herein.

MANAGING BODY AND PARTICIPANTS						
Item	Description/Specification	CATMAT	Measure	Total Quantity	Unit Value	Total Estimated Value
1	Ammunition for semi-automatic pistols and submachine guns - Training 9mm Luger (9×19mm) Full metal jacket, 124 grains	242723	unit	12.677.882	R\$ 3,81	R\$ 48.361.243,72
2	Ammunition for semi-automatic pistols and submachine guns - Operational 9mm Luger (9×19mm) Hollow point, expandable, 147 grains	242723	unit	4.063.731	R\$ 10,01	R\$ 40.664.401,54
3	Ammunition for carbines and rifles Training 5.56 NATO (5.56 x45mm) 55 grains, Common, Ball, M193, Training	242723	unit	6.232.773	R\$ 7,71	R\$ 48.078.652,03
4	Ammunition for carbines and rifles Operational Regular troops 5.56 NATO (5.56x45mm) MK262, 77 grains	242723	unit	1.247.969	R\$ 13,23	R\$ 16.509.192,21
5	Ammunition for carbines and rifles Operational Special Groups 5.56 NATO (5.56x45mm) M855A1, 62 grains	242723	unit	711.000	R\$ 14,19	R\$ 10.086.728,34
6	Ammunition for carbines and rifles Operational 7.62 NATO (7.62 x 51 mm) M80 NATO Ball	242723	unit	165.000	R\$ 8,61	R\$ 1.419.825,00

7	Ammunition for carbines and rifles Operational Elada 7.62 NATO ELADA (7.62 x 51 mm) M80 NATO Ball	242723	unit	48.000	R\$ 10,92	R\$ 524.064,00
8	Ammunition for A 12 Gauge shotguns 70mm (2-3/4"), SG 32 grams	242723	unit	60.000	R\$ 7,12	R\$ 427.320,00
9	Ammunition for B 12 Gauge shotguns 70mm (2-3/4"), Singular Foster (RIFLED SLUG) 28 grams	242723	unit	40.000	R\$ 8,75	R\$ 350.100,00
10	.308 Win 175 grain precision rifle ammunition	242723	unit	355.250	R\$ 21,97	R\$ 7.804.424,73
11	Ammunition for .338 Lapua Magnum precision rifle 250 to 300 grains - HPBT	242723	unit	83.000	R\$ 97,90	R\$ 8.125.915,80
Total Value						R\$ 182.351.867,37

For foreign or Brazilian bidders offering imported equipment, the registration of proposals and bids on the electronic system

Compras.gov.br shall consider the equalized unit value, as established in Annex III of these Terms of Reference and in a specific item of the public notice,

using NCM (Mercosur Common Nomenclature) 9306.30.00 and 9306.21.90 as a reference.

MANAGING BODY - PF				
Item	Description/Specification	Total Quantity	Unit Value	Total Estimated Value
1	Ammunition for semi-automatic pistols and submachine guns - Training 9mm Luger (9×19mm) Full metal jacket, 124 grains	6.000.000	R\$ 3,81	R\$ 22.887.692,31
2	Ammunition for semi-automatic pistols and submachine guns - Operational 9mm Luger (9×19mm) Hollow point, expanding, 147 grains	2.500.000	R\$ 10,01	R\$ 25.016.666,67
3	Ammunition for carbines and rifles Training 5.56 NATO (5.56x45mm) 55 grains, Common, Ball, M193, Training	263.000	R\$ 7,71	R\$ 2.028.741,54
4	Ammunition for 5.56 NATO (5.56 x45mm) rifles and carbines MK262, 77 grains	325.000	R\$ 13,23	R\$ 4.299.375,60
5	Ammunition for carbines and rifles Operational Special Groups 5.56 NATO (5.56 x45mm) M855A1, 62 grains	565.000	R\$ 14,19	R\$ 8.015.473,30

6	Ammunition for carbines and rifles Operational 7.62 NATO (7.62 x 51 mm) M80 NATO Ball	155.000	R\$ 8,61	R\$ 1.333.775,00
7	Ammunition for carbines and rifles Operational Elada 7.62 NATO ELADA (7.62 x 51 mm) M80 NATO Ball	48.00	R\$ 10,92	R\$ 524.064,00
8	Ammunition for A 12 Gauge shotguns 70mm (2-3/4"), SG 32 grams	40.000	R\$ 7,12	R\$ 284.880,00
9	Ammunition for B 12 Gauge shotguns 70mm (2-3/4"), Singular Foster (RIFLED SLUG) 28 grams	40.000	R\$ 8,75	R\$ 350.100,00
10	.308 Win 175 grain precision rifle ammunition	91.000	R\$ 21,97	R\$ 1.999.162,98
11	Ammunition for .338 Lapua Magnum precision rifle 250 to 300 grains - HPBT	19.000	R\$ 97,90	R\$ 1.860.149,40
Total Value				R\$ 68.600.080,79

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PARTICIPATING BODY PRF				
Item	Description/Specification	Total Quantity	Unit Value	Total Estimated Value
1	Ammunition for semi-automatic pistols and submachine guns - Training 9mm Luger (9×19mm) Full metal jacket, 124 grains	6.077.882	R\$ 3,81	R\$ 23.184.782,18
2	Ammunition for semi-automatic pistols and submachine guns - Operational 9mm Luger (9×19mm) Hollow point, expandable, 147 grains	963.731	R\$ 10,01	R\$ 9.643.734,87
3	Ammunition for carbines and rifles Training 5.56 NATO (5.56x45mm) 55 grains, Common, Ball, M193, Training	5.719.773	R\$ 7,71	R\$ 44.121.448,96
4	Ammunition for 5.56 NATO (5.56 x45mm) rifles and carbines MK262, 77 grains	847.269	R\$ 13,23	R\$ 11.208.392,82

10	.308 Win 175 grain precision rifle ammunition	355.250	R\$ 21,97	R\$ 3.806.098,76
11	Ammunition for .338 Lapua Magnum precision rifle 250 to 300 grains - HPBT	83.000	R\$ 97,90	R\$ 4.405.617,00
Total Value				R\$ 96.370.074,59

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using NCM (Mercosur Common Nomenclature) 9306.30.00 and 9306.21.90 as a reference.

PARTICIPATING BODY PMDF				
Item	Description/Specification	Total Quantity	Unit Value	Total Estimated Value
1	Ammunition for semi-automatic pistols and submachine guns - Training 9mm Luger (9×19mm) Full metal jacket, 124 grains	600.000	R\$ 3,81	R\$ 2.288.769,23
2	Ammunition for semi-automatic pistols and submachine guns - Operational 9mm Luger (9×19mm) Hollow point, expanding, 147 grains	600.000	R\$ 10,01	R\$ 6.004.000,00
3	Ammunition for carbines and rifles Training 5.56 NATO (5.56x45mm) 55 grains, Common, Ball, M193, Training	250.000	R\$ 7,71	R\$ 1.928.461,54
4	Ammunition for 5.56 NATO (5.56 x45mm) rifles and carbines MK262, 77 grains	75.700	R\$ 13,23	R\$ 1.001.423,79
5	Ammunition for carbines and rifles Operational Special Groups 5.56 NATO (5.56 x45mm) M855A1, 62 grains	146.000	R\$ 14,19	R\$ 2.071.255,05
6	Ammunition for carbines and rifles Operational 7.62 NATO (7.62 x 51 mm) M80 NATO Ball	10.000	R\$ 8,61	R\$ 86.050,00
8	Ammunition for A 12 Gauge shotguns 70mm (2-3/4"), SG 32 grams	20.000	R\$ 7,12	R\$ 142.440,00
10	.308 Win 175 grain precision rifle ammunition	91.000	R\$ 21,97	R\$ 1.999.162,98

11	Ammunition for .338 Lapua Magnum precision rifle 250 to 300 grains - HPBT	19.000	R\$ 97,90	R\$ 1.860.149,40
Total Value				R\$ 17.381.711,99

For foreign or Brazilian bidders offering imported equipment, the registration of proposals and bids in the electronic system will be subject to the following conditions

Compras.gov.br shall consider the equalized unit value, as established in Annex III of these Terms of Reference and in a specific item of the public notice,

using NCM (Mercosur Common Nomenclature) 9306.30.00 and 9306.21.90 as a reference.

The goods that are the object of this contract are characterized as common, as justified in the Preliminary Technical Study.

The object of this contract does not qualify as a luxury good, according to Decree No. 10,818 of September 27, 2021.

The term of the contract is 12 (twelve) months from the signing of the contract, in accordance with article 105 of Law No. 14.133, of April 1, 2021.

The term of validity of the price registration minutes will be one (1) year and may be extended for the same period and in the same quantities, provided that the advantageous price is proven.

Foreign bidders must include in the price of the object the value of international transport insurance, international freight, customs clearance, brokers and other applicable costs, taxes and tariffs, considering the International Trade Terms - INCOTERMS 2020 - **DPU - Delivered At Place Unloaded** - as well as providing for the cost of storage, capatazia, transportation/freight to the place of delivery in the city of Brasília-DF, Brazil, as well as the "tax equalization" based on § 4, art. 51 of Law No. 14.133, of April 1, 2021, contained in Annex III - Model of Proposals in order to preserve competition and isonomy in the bidding, to be defined in the public notice.

The NCM (Mercosur Common Nomenclature) is a system for classifying goods that is fundamental to international trade, including tenders. It assigns a unique numerical code to each product, standardizing identification throughout the Mercosur bloc. By using the NCM code in the tender notice, the public body ensures that all bidders understand exactly which product or service is being purchased. This avoids differences of interpretation and allows for a fairer comparison between tenders. The NCM code defines the tax rate levied on the goods, such as import tax. This information is crucial for calculating the final price of the product and for comparing bids. The NCM is used to check that the goods delivered correspond to those described in the tender. This avoids the delivery of non-compliant products and ensures that the public body buys exactly what it needs. The NCM code is used by the Federal Revenue Service for customs control of imported goods. By using the correct NCM, the importer speeds up the customs clearance process and avoids problems with inspection. The NCM is based on the Harmonized System (HS), an international system for classifying goods. By using the NCM, Brazil aligns itself with international practices and facilitates trade with other countries. The application of the NCM (Mercosur Common Nomenclature) is a legal requirement in Brazil and the other Mercosur countries. It is an indispensable tool for ensuring transparency in the taxation of goods. As a result, the NCM (Mercosur Common Nomenclature) 9306.30.00 and 9306.21.90 will be used as a reference, which deals with ammunition and cartridges.

Equalization by import rates will not be made, as this would cause a breach of isonomy, with a greater burden on foreign bidders, which would violate art. 9, II, and art. 52, § 6, both of Law 14.133/21. To equalize burdens, having NCMs 9306.30.00 and 9306.21.90.

In order to be exempt from taxes, in accordance with legal provisions (Federal Law No. 8.010/90 and Federal Law No. 8.032/90), the process of importing the goods that are the subject of this tender will be carried out by the contracted company, on behalf of the Federal Police, by means of a forwarding agent paid for by the contracted company and approved by the contractor;

Any tax, fee, charge, cost or expense, direct or indirect, related to the supply of the object of this bid, omitted or incorrectly quoted in the bid, will be considered as included in the price, and it will not be possible to claim increases under this argument;

It will be the exclusive and total responsibility of the Bidder to obtain information from the competent bodies, whether abroad or in Brazil, on the incidence or not of taxes, duties and fees of any nature due for the supply of the object of this bid, in the domestic and/or foreign markets, considering the respective liens in their proposals, and no claim of ignorance of tax incidence or other related incidence will be admitted.

The CONTRACTED PARTY is responsible for obtaining the import license, paying for insurance, transportation, depositing the equipment, clearance costs and all customs formalities costs payable on importation. The CONTRACTING PARTY will provide all the documentation it is responsible for, which is necessary for the CONTRACTED PARTY to carry out the customs formalities, with the aim of obtaining tax exemption, in accordance with legal provisions (Federal Law No. 8.032/90).

In the event of a disagreement between the technical specifications of the object described in the electronic address - COMPRASNET /CATMAT, and the specifications contained in ANNEX I of these Terms of Reference, the latter shall prevail.

The bidding method for the acquisition of goods will be the Electronic Auction, lowest price, with broad participation by National Companies and International Companies. The system adopted will be the Price Register based on items II and III of art. 3 of Decree no. 11.462, of March 31, 2023.

2. Justification for the contract

The rationale for the contract and its quantities can be found in detail in the specific topic of the Preliminary Technical Studies, an appendix to these Terms of Reference.

The object of the contract is provided for in the 2024 Annual Contracting Plan, as detailed below: PCA ID in the

PNCP: 00394494000136-0-000006/2024

Date of publication in PNCP: 20/05/2023 Id

of item in PCA: 297

Class/Group: 1305 - MUNITION CALIBER UP TO 30MM

Future Contract Identifier: 200334-90012/2023

3. Solution description

3. DESCRIPTION OF THE SOLUTION AS A WHOLE CONSIDERING THE OBJECT'S LIFE CYCLE AND PRODUCT SPECIFICATION

The description of the solution as a whole is detailed in a specific topic of the Preliminary Technical Studies and other annexes to these Terms of Reference.

4. Hiring requirements

Sustainability:

In addition to any sustainability criteria included in the description of the object, the following requirements must be met, which are based on the National Guide to Sustainable Contracting:

The Contractor must comply, where applicable, with the following environmental sustainability criteria, under the terms of Normative Instruction No. 1 of January 19, 2010:

That the goods are made up, in whole or in part, of recycled, non-toxic, biodegradable material, in accordance with ABNT NBR - 15448-1 and 15448-2;

That the environmental requirements for obtaining certification from the National Institute of Metrology, Standardization and Industrial Quality (INMETRO) as sustainable products or products with a lower environmental impact in relation to their similar products are observed;

That the goods should preferably be packed in suitable individual packaging, with the smallest possible volume, using recyclable materials, in order to guarantee maximum protection during transportation and storage; and

That the goods do not contain hazardous substances in concentrations above those recommended in the RoHS (**Restriction of Certain Hazardous Substances**) directive, such as mercury (Hg), lead (Pb), hexavalent chromium (Cr(VI)), cadmium (Cd), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs).

Sustainability criteria are those provided for in the specifications of the object and/or obligations of the contractor and/or in the public notice as a requirement provided for by special law, and in compliance with the National Guide to Sustainable Bidding, prepared by the National Sustainability Chamber - CNS/DECOR/CGU/AGU, 4th edition, August/2021).

The following forms of destination or final disposal of solid waste or tailings are prohibited: Throwing

on beaches, into the sea or into any water bodies;

Open-air dumping, with the exception of mining waste;

Burning in the open or in containers, installations and equipment not licensed for this purpose; Other forms prohibited by public authorities.

The technical area certifies that it followed the guidelines of the National Sustainable Bidding Guide, 6th edition, September/2023.

Sample requirement

Once the bid has been accepted in terms of value, the party provisionally ranked first must submit a sample, the date, place and time of which will be announced in a message on the system, which will be open to all interested parties, including other interested suppliers.

The samples will be tested at the factory of the first-placed bidder;

The Auctioneer will require the bidder ranked first to submit a sample and submit it to the Sample Evaluation Committee, under penalty of the bid not being accepted, at the location to be indicated and within 20 (working) days of the request, which may be extended for the same period, provided the bidder gives reasons.

The analysis of the samples will take place during business hours, at the bidder's factory, informed in a message in the chat, and all expenses for airfare, lodging and meals of the commission to be appointed for the evaluation of samples will be borne by the Federal Police, for the duration of the sample examinations;

The samples must be duly identified with the tender number and the bidder's name, contain the respective brochures, technical documentation and manuals, if applicable, and have information on their characteristics on the packaging, such as date of manufacture, expiry date, brand, reference number, product code and model.

The samples must be individually packaged and sealed in such a way that they can be visually checked upon receipt by the committee, without the need to break the wrapping from the company;

The samples will only be opened at the time of the tests, which will be open to all interested parties;

The bidder must provide a representative to accompany the Sample Evaluation Committee throughout the analysis.

All tender items will be subject to sample analysis;

The deadline may be extended if the interested party makes a reasoned request in the chat before the deadline expires.

The following aspects and minimum standards of acceptability will be assessed:

It must have general and specific characteristics, faithfully complying with the form in which it will be marketed, if approved, as well as with current regulations, legal requirements on traceability batch, manufacturing batch, packaging and other topics contained in Annex I. - Technical Specifications and Standards - of this Term of Reference;

Be approved in accordance with the protocol set out in Annex II - Sample Tests and Provisional Receipt of these Terms of Reference;

The samples and documentation will be analyzed by the Sample Evaluation Committee, which will be responsible for assessing the compatibility of the product with that described in the terms of reference and its annexes. The Committee will monitor the tests (which will be conducted by the Bidder) and draw up a report which will be available for consultation by interested parties.

The results of the evaluations will be announced via a message in the system.

The samples must be ready to be analyzed by the Commission, which will issue an opinion stating that the sample was: (1) approved without reservations, (2) approved with reservations or (3) disapproved.

Interested parties must provide the Administration with all the conditions necessary to carry out the tests and supply, free of charge, the printed manuals in Portuguese necessary for their perfect handling, where applicable.

The winning bidder must deliver an additional number of samples of the material purchased, at no cost to the public purse, in view of the analyses upon receipt and the procedures described in Annex I and II of the Terms of Reference;

Once approved, the bidder's proposal will be accepted if the other requirements of the bidding phase are met. The material to be delivered, which is the subject of the contract, must be *in* strict accordance with the sample presented *on site* to the Sample Evaluation Committee.

Approval with reservations will only be given if the reservations refer to items of mere appearance (finishing details and other items that do not imply uncertainty as to the quality and functionality of the object). In this case, a further period of 2 (two) working days will be granted to correct the reservations, by making adjustments or submitting a new sample.

Once the corrections have been made or a new sample has been submitted, the Commission will issue a new opinion stating whether the sample has been approved or disapproved.

A bid from a bidder whose sample has been rejected, who fails to submit a sample, or who fails to correct it within the established time limits, will not be accepted.

In the event of non-delivery of the sample or delay in delivery, without accepted justification, or in the event of delivery of a sample that does not meet the specifications, the tender will be rejected.

If the sample(s) submitted by the first-placed bidder is not accepted, the acceptability of the bid or proposal offered by the second-placed bidder will be analyzed. This will be followed by verification of the sample(s) and so on, successively, until verification of one that meets the specifications contained in these Terms of Reference.

An analyzed sample of superior quality in relation to the specifications requested will be accepted, provided that it is accompanied by a declaration from the bidder that they will deliver the products in accordance with the sample presented.

The specimens made available to the Administration will be treated as prototypes and may be handled and dismantled by the technical team responsible for the analysis.

The presentation of a falsified or deteriorated sample, as true or perfect, constitutes unworthy behavior, punishable under the terms of this Public Notice.

The samples selected for testing and separated will be packaged, sealed, initialed by the Employer's and Contractor's representatives and collected by the Technical Planning Team.

The Contractor is not obliged to replace materials damaged as a result of the analysis.

Subcontracting

Subcontracting is not permitted.

Contract guarantee

There will be no requirement to guarantee the contracting of articles 96 et seq. of Law 14.133 of 2021.

The contract provides greater detail on the rules that will apply in relation to the contract guarantee.

5. Object execution model**5. EXECUTION OF THE OBJECT****Delivery Conditions**

The delivery period for the goods is up to 120 (one hundred and twenty) days, counting from the issuance of the Supply Order, and may be extended once, upon formal justification by the contractor and acceptance by the Public Administration.

If it is not possible to deliver on the scheduled date, the company must provide the reasons at least 15 days in advance so that any request for an extension can be analyzed, except in the case of unforeseeable circumstances and force majeure.

After issuing the Purchase Order and signing the Contract, the CONTRACTING PARTY must communicate/request authorization from the Brazilian Army to purchase the Army Controlled Product, PCE, within the existing balance of that item(s) in the Controlled Product Strategic Planning.

After signing and receiving the Authorization, the CONTRACTING PARTY shall issue the Order(s) for the Supply of Goods in accordance with the expected demands.

The Supply Order will indicate the item, quantity, general conditions, delivery locations, deadlines and the person responsible for receiving and checking the equipment supplied.

Under no circumstances will a delivery be received without a prior Supply Order and without agreement to the terms set out therein.

Within a maximum period of 30 (thirty) days from receipt of the Supply Order, the Contractor must submit the delivery schedule for the items purchased to the contract supervisor, containing the date set for actual delivery to all the recipients covered.

If it is not possible to deliver on the scheduled date, the company must provide the reasons at least 15 (fifteen) days in advance so that any request for an extension of the deadline can be analyzed, with the exception of unforeseeable circumstances and force majeure.

The goods must be delivered to the address specified in the supply order, within the Federal District/DF - Brazil.

Warranty, maintenance and technical assistance

The contractual warranty period for the goods, in addition to the legal warranty, must correspond to the expiry date of the product, or the period provided by the manufacturer, if longer, counted from the first working day following the date of final receipt of the object;

The guarantee will be provided with a view to keeping the equipment supplied in perfect working order, at no additional cost to the Contracting Party;

Any parts found to be defective or faulty during the warranty period must be replaced with new, first-use, original parts that meet or exceed the quality and performance standards of the parts used to manufacture the equipment;

Once notified, the Contractor shall repair or replace the goods that are defective within 60 working days, extendable for the same period (as it is an Army Controlled Product) from the date of removal of the equipment from the Administration's premises by the Contractor or authorized technical assistance;

The period indicated in the previous sub-item may be extended once for an equal period at the Contractor's written and justified request, accepted by the Employer;

The cost of transporting the equipment covered by the warranty will be the responsibility of the Contractor;

The legal or contractual guarantee of the object has its own term and is not linked to that set out in the contract, allowing for the possible application of penalties in the event of non-compliance with any of its conditions, even after the contractual term has expired;

The winning bidder will guarantee the product (ammunition) against defects or manufacturing defects, provided that it is kept in special packaging and conditions, as indicated by the manufacturer;

In the case of defective goods that are replaced, the warranty will run from the new delivery date of the goods;

The company must provide warranty certificates, either by means of its own documents, or a printed or stamped annotation on the respective invoice;

The provisions of the Consumer Protection and Defense Code, established by Law No. 8,078 of September 11, 1990, shall apply where applicable;

All objects, devices or even units that are replaced during the warranty period will, from the moment they are delivered, have all the guarantees provided for;

The goods must be valid for a minimum of 10 (ten) years from the date of manufacture and 1 (one) year after removal from the original packaging, provided that the manufacturer's storage recommendations are followed;

The date of manufacture may not be more than 90 (ninety) days from the date of delivery;

The manufacturer will make technicians and laboratories available to the Administration, on request, to provide any technical information about the components, analysis of the product's performance or proof of the characteristics required in these technical specifications, the costs of any procedures for which will be borne by the bidder;

the manufacturer will have two (2) working days to provide technical assistance, starting from the notification of the request to the company by the Public Administration.

6. Contract management model

6. CONTRACT MANAGEMENT MODEL

The contract must be faithfully executed by the parties, in accordance with the agreed clauses and the rules of Law No. 14,133 of 2021, and each party will be liable for the consequences of its total or partial non-performance.

In the event of an impediment, stoppage order or suspension of the contract, the execution schedule will be automatically extended by the corresponding time, noting such circumstances by means of a simple apostille.

Communications between the body or entity and the contractor must be made in writing whenever the act requires such formality, and the use of electronic messaging is permitted for this purpose.

The body or entity may summon a representative of the company to adopt measures that must be complied with immediately.

After signing the contract or equivalent instrument, the body or entity may call the contractor's representative to an initial meeting to present the inspection plan, which will contain information about the contractual obligations, the inspection mechanisms, the strategies for executing the object, the contractor's complementary execution plan, if any, the method for measuring the results and the applicable sanctions, among others.

The execution of the contract must be monitored and supervised by the contract supervisor(s), or by their respective substitutes (Law No. 14.133, of 2021, art. 117, caput).

Technical Inspection

The contract's technical inspector will monitor the execution of the contract to ensure that all the conditions set out in the contract are met, so as to ensure the best results for the Administration (Decree No. 11.246 of 2022, art. 22, VI);

The technical inspector of the contract will record in the contract management log all occurrences related to the execution of the contract, describing what is necessary to rectify the faults or defects observed. (Law No. 14.133, of 2021, art. 117, §1º, and Decree No. 11.246, of 2022, art. 22, II);

If any inaccuracies or irregularities are identified, the technical inspector of the contract will issue notices to correct the execution of the contract, setting a deadline for correction. (Decree no. 11.246, of 2022, art. 22, III);

The contract's technical inspector will inform the contract manager in good time of any situation that requires a decision or the adoption of measures that go beyond their competence, so that they can adopt the necessary and remedial measures, if applicable. (Decree no. 11.246, of 2022, art. 22, IV).

In the event of occurrences that may make it impossible to execute the contract on the scheduled dates, the technical inspector of the contract will immediately notify the contract manager. (Decree no. 11.246, of 2022, art. 22, V).

The contract's technical inspector will notify the contract manager in good time of the end of the contract under his responsibility, with a view to timely renewal or extension of the contract (Decree No. 11.246 of 2022, art. 22, VII).

Administrative supervision

The contract's administrative inspector will check that the contractor's qualification conditions are maintained, monitor the commitment, payment, guarantees, disallowances and the formalization of amendments and supplementary terms, requesting any relevant supporting documents, if necessary (Art. 23, I and II, of Decree No. 11.246, of 2022).

In the event of non-compliance with contractual obligations, the contract's administrative inspector will act in a timely manner to solve the problem, reporting to the contract manager so that he can take the appropriate measures, when this is beyond his competence; (Decree no. 11.246, 2022, art. 23, IV).

Contract Manager

The contract manager will coordinate the updating of the contract monitoring and inspection process containing all the formal records of the execution in the contract management history, such as the service order, the occurrence record, the contract amendments and extensions, drawing up a report with a view to verifying the need for adjustments to the contract in order to meet the administration's objectives. (Decree no. 11.246, of 2022, art. 21, IV).

The contract manager will monitor the records made by the contract inspectors of all occurrences related to the execution of the contract and the measures taken, informing the higher authority, if necessary, of those that exceed their competence. (Decree no. 11.246, of 2022, art. 21, II).

The contract manager will monitor the maintenance of the contractor's qualification conditions, for the purposes of commitment of expenditure and payment, and will note any problems that hinder the normal flow of settlement and payment of expenditure in the report of possible risks. (Decree no. 11.246, of 2022, art. 21, III).

The contract manager will issue a document confirming the assessment made by the technical, administrative and sector inspectors regarding compliance with the obligations assumed by the contractor, mentioning their performance in the execution of the contract,

based on objectively defined and measured indicators, and any penalties applied, and must be included in the record of attestation of compliance with obligations. (Decree No. 11.246, of 2022, art. 21, VIII).

The contract manager will take steps to formalize the administrative process of accountability for the purpose of applying sanctions, to be conducted by the commission referred to in art. 158 of Law no. 14.133, of 2021, or by the agent or sector with competence to do so, as the case may be (Decree no. 11.246, of 2022, art. 21, X).

The contract manager must draw up a final report with information on the achievement of the objectives that justified the contract and any measures to be taken to improve the administration's activities (Decree No. 11.246 of 2022, art. 21, VI).

The contract manager must send the relevant documentation to the contracts department to formalize the settlement and payment procedures, in the amount calculated by the supervision and management under the terms of the contract.

7. Measurement and payment criteria

7. MEASUREMENT AND PAYMENT CRITERIA

Receipt of the object

The goods will be provisionally received as follows:

After the goods supply order has been issued, the goods must be delivered within 120 days to the aforementioned address, within the Federal District - DF, via the *DPU INCOTERM*, with all import costs: insurance, freight, transportation, storage, among others, from the goods to their destination being borne by the contractor. Storage costs before customs clearance using the PF's RADAR are included.

For foreign suppliers, the Federal Police will be responsible for escorting the transport, provided that the minimum operational conditions are met, such as the state of repair of the Contractor's vehicle for the transfer, scheduled time, etc. for the journey from the airport to the place indicated in the order for the supply of goods, in Brasília/DF. The Tactical Operations Command (COT/PF) will decide on these conditions;

All documentation must be issued in the name of the Ministry of Justice - Federal Police Department - CNPJ: 00.394.494/0014-50, at the following address: SCN Q. 4, 5º Andar, Bloco C, Ed. Multibrasil Corporate - Edifício-Sede da Polícia Federal, - Bairro Asa Norte Brasília/DF CEP 70297-400, Telephone: (61) 2024-8510 E-mail: dpc.cgplam.dlog@pf.gov.br.

All the documents required for customs clearance of the products with the responsible agencies must be delivered free of charge to the Contractor at the address mentioned in this item, in compliance with current legislation.

Provisional receipt will take place within 10 (ten) working days of delivery of the goods, for contracts of less than 1,000,000 units (one million) for 9x19 mm caliber ammunition, 150,000 for 5.56x45, 7.62x45mm and 12 GA caliber ammunition.

In the case of contracting in quantities greater than 1,000,000 units (one million) for 9x19 mm caliber ammunition, 150,000 for 5.56x45, 7.62x45mm and 12 GA caliber ammunition or, for any amount contracted for .308 WIN and .338 LAPUA MAGNUM caliber, the goods will be provisionally received, at the company's factory, in summary form, within 10 (ten) days, after carrying out the tests set out in Annex II - Sample Tests and for Provisional Receipt, by a committee of employees of this EPC, Supervision and Instructors, to be defined in a separate process, and, if approved, a Provisional Receipt Term and Authorization for Shipment will be drawn up (for foreign companies), for the purpose of verifying their conformity with the specifications contained in these Terms of Reference and in the proposal.

The costs of travel, lodging and meals for the above-mentioned officials will be borne by the Federal Police; the costs of the tests will be borne by the Contractor.

The Contractor must inform the estimated date for completion of production at least 30 (thirty) days in advance, for the purposes of organization/planning by the Receiving Committee.

At the time of provisional receipt, the company must present a valid Certificate of Conformity (PCE) for each item (type of ammunition), issued by the competent authority, within the validity period and from an accrediting body authorized by the Army, meeting the requirements of Ordinance No. 189-EME of 18/08/2020 and, after drawing up the provisional receipt form, authorization will be granted for the shipment/distribution of the batches approved in the factory receipt.

All documents must be submitted at the time of the tender or the official list can be consulted on the Brazilian Army (EB) website.

In the case of imports, it will be necessary for the CONTRACTED PARTY to obtain licenses from the Brazilian Army in relation to customs clearance, in full compliance with Ordinance No. 189-EME of 18/08/2020, or legislation that may replace it.

In the event that the verification referred to in the previous sub-item is not carried out within the set time limit, it shall be deemed to have been carried out and final acceptance shall be deemed to have taken place on the day the time limit expires.

The goods may be rejected, in whole or in part, even before provisional receipt, when they do not comply with the specifications in the Terms of Reference and in the proposal, and must be replaced within 60 (sixty) days of notification to the contractor, at its expense, without prejudice to the application of penalties.

The Contractor undertakes to deliver the material referred to in these Terms of Reference strictly in accordance with the minimum specifications described, and is solely responsible for replacing the object, in whole or in part, if the Administration finds that it does not comply with these specifications;

If the objects differ from those specified in these Terms of Reference or are defective, they will be considered undelivered and the delivery period will not be interrupted as a result of non-receipt, and the Contractor will bear the cost of the delay;

It will be up to the contract inspection committee to reject, in whole or in part, any product that does not comply with the requirements, as well as to set a deadline for replacing any material that is out of specification, defective in manufacture or malfunctioning;

The materials must be brand new and must comply absolutely with the specifications set out in the Annexes to these Terms of Reference.

The ammunition may be definitively received in full, when the whole set complies with the specifications, or in part, discarding those that do not;

For goods originating from a foreign company, definitive receipt will take place within 10 working days (ten) of physical receipt of the cargo, free and clear, at the location indicated by the Goods Supply Order, with the respective *translated invoice* and other shipping documents (e.g. *AWB* and Packing List): *AWB* and Packing List), with all the details, such as: description and quantity of the goods, date and time of arrival, Bill of Lading number (e.g. *AWB*), number of packages, gross and net weight, international freight value and *DPU (Delivered At Place Unloaded)* value.

For contracts resulting from expenses whose amounts do not exceed the limit referred to in item II of art. 75 of Law No. 14.133, of 2021, the maximum period for final receipt will be up to 10 (ten) working days.

The deadline for final acceptance may exceptionally be extended, with justification, for an equal period, when there is a need for due diligence to check that the contractual requirements have been met.

In the event of a dispute over the execution of the object, in terms of size, quality and quantity, the content of art. 143 of Law No. 14,133 of 2021 must be observed, and the company must be notified to issue an invoice for the uncontroversial portion of the execution of the object, for the purposes of settlement and payment.

The deadline for the contractor to resolve inconsistencies in the execution of the object or to rectify the invoice or equivalent billing instrument, verified by the Administration during the analysis prior to the settlement of expenditure, will not be counted for the purposes of final receipt.

Provisional or final acceptance shall not exclude civil liability for the soundness and safety of the service or ethical and professional liability for the perfect execution of the contract.

Liquidation

Once the Invoice or equivalent billing document has been received, a period of ten working days will elapse for settlement purposes, in accordance with this section, extendable for the same period, under the terms of art. 7, §2 of SEGES/ME Normative Instruction no. 77/2022.

The period referred to in the previous item will be reduced by half, with the possibility of extension being maintained, in the case of contracts resulting from expenses whose amounts do not exceed the limit referred to in item II of art. 75 of Law no. 14.133, of 2021.

For settlement purposes, the competent department must check that the invoice or equivalent billing instrument presented expresses the necessary and essential elements of the document, such as:

the expiration date;

the date of issue;

the details of the contract and the contracting body;

the respective period of performance of the contract;

the amount payable; and

any applicable tax withholdings.

If there is an error in the presentation of the invoice or equivalent billing instrument, or a circumstance that prevents the expenditure from being settled, it will be held up until the contractor provides the remedial measures, and the period will restart after proof that the situation has been regularized, at no cost to the contractor;

The invoice or equivalent billing instrument must be accompanied by proof of tax compliance, verified through *online* consultation of the SICAF or, if access to this system is impossible, through consultation of official websites or the documentation mentioned in art. 68 of Law No. 14.133 of 2021.

The Administration must consult the SICAF in order to: a) verify the maintenance of the qualification conditions required in the public notice; b) identify any possible reason that prevents participation in a bid, within the scope of the body or entity, that implies a prohibition on contracting with the Public Power, as well as indirect impeding occurrences.

If the contractor is found to be in an irregular situation with SICAF, it will be notified in writing so that, within five (5) working days, it can regularize its situation or, within the same period, present its defense. The deadline may be extended once for an equal period, at the contractor's discretion.

If there is no regularization or if the defense is considered unfounded, the contractor must notify the bodies responsible for overseeing tax compliance of the contractor's default, as well as the existence of payment to be made, so that the relevant and necessary means can be activated to guarantee receipt of its credits.

If the irregularity persists, the contractor must take the necessary measures to terminate the contract in the records of the corresponding administrative process, ensuring the contractor a full defense.

Once the object has been effectively executed, payments will be made normally, until it is decided to terminate the contract, if the contractor does not regularize its situation with SICAF

Payment deadline

Payment will be made within 10 (ten) working days of finalizing the settlement of expenses, as per the previous section, under the terms of SEGES/ME Normative Instruction no. 77 of 2022.

In the event of delay by the Employer, the amounts owed to the contractor will be monetarily restated between the end of the payment period and the date of actual payment, using the IPCA (Broad National Consumer Price Index) index for monetary restatement.

Payment method

Payment will be made by bank order, to be credited to the bank, agency and current account indicated by the contractor.

In the case of a foreign company, payment will be made using the "Remittance in Withdrawal" method, at the Central Bank's PTAX closing exchange rate (taking into account the average of purchase and sale quotations), in force on the business day immediately preceding the date of actual payment, or by Letter of Credit, under the terms of the legislation in force, observing that:

Payment will be made in United States Dollars (US\$) or Euros (EUR), the currency of which will be defined at the time of the contract, through the opening of an irrevocable and irreversible documentary credit with the issuing bank Banco do Brasil S/A, in the corresponding amount in United States Dollars or Euros, according to the price defined at the public session, considering the price proposal accepted and priced in the proforma invoice, in compliance with the provisions of Federal Law No. 4.320/64; Federal Law No. 10.192/01 and Decree Law No. 85/69, approved by the International Chamber of Commerce.320/64; Federal Law No. 10.192/01 and Decree Law No. 857/69, adopting the Uniform Usage Rules for Documentary Credits (UCP 600), approved by the International Chamber of Commerce (ICC), and the Uniform Rules for Bank Reimbursements, supported by documentary credits:

- the documentary credit will be made in confirmed, irrevocable and non-transferable form;
- the validity of the documentary credit will be sufficient to cover the execution period defined in this Public Notice and its Annexes.
- Invoices that are incorrect will be returned to the issuer and will be due 30 (thirty) days after the date of their valid presentation.
- The proforma invoice(s) must be sent to the Federal Police, at the address mentioned in the preamble to the Public Notice, for the purpose of requesting the opening of documentary credit.
- All financial operations will be carried out by the financial agent Banco do Brasil S/A, under the order of the person in charge of the account set up for this purpose by the Federal Police;
- Payment will be suspended until the Central Bank of Brazil - Department for Combating Financial Illicit Activities and Supervision of Foreign Exchange and International Capital has given a favorable opinion, if there are indications of the cases listed in Section 2, of Chapter 16 of Title 1 of the Foreign Exchange and International Capital Market Regulations (RMCCI).
- Effective payment and settlement under the terms of article 63 of Federal Law No. 4.320/64 will be deemed to have taken place with the authorization for the negotiating bank to pay the letter of credit to the beneficiary or, alternatively, by deposit in a bank account opened in Brazil in the manner established by the Central Bank of Brazil.
- In the event of late payment attributable to the foreign CONTRACTOR, with a bid in foreign currency, the expenses relating to the renewal or extension of the documentary credit (letter of credit) with Banco do Brasil S/A, including those relating to the increase in the exchange rate during the period of payment, shall be borne by the CONTRACTOR, without prejudice to the respective contractual sanctions.

In the event of any delays in payment, the same rule stipulated for the national contractor will be adopted. The date of

payment shall be deemed to be the day on which the bank order for payment is issued.

When payment is made, tax will be withheld in accordance with the applicable legislation.

Regardless of the percentage of tax entered in the spreadsheet, if any, the percentages established in current legislation will be withheld at source when payment is made.

Contractors who regularly opt for the Simples Nacional system, under the terms of Complementary Law 123 of 2006, will not be subject to tax withholding in respect of the taxes and contributions covered by that system. However, payment will be conditional on presentation of proof, by means of an official document, that it is entitled to the favored tax treatment provided for in the aforementioned Complementary Law.

Assignment of credit

The fiduciary assignment of credit rights with a financial institution is allowed, under the terms and according to the procedures set out in SEGES/ME Normative Instruction No. 53, of July 8, 2020, in accordance with the rules of this topic.

Non-fiduciary credit assignments will depend on prior approval by the contracting party.

The effectiveness of the assignment of credit, of any nature, in relation to the Administration, is subject to the conclusion of an amendment to the administrative contract.

Without prejudice to the regular fulfillment of the contractual obligation to comply with all the qualifying conditions by the contractor (assignor), the execution of the credit assignment amendment and the making of the respective payments are also subject to the assignee's tax and labor compliance, as well as certification that the assignee is not prevented from bidding and contracting with the Public Power, according to the legislation in force, or from receiving tax or credit benefits or incentives, directly or indirectly, according to art. 12 of Law No. 8.429, of 1992, all under the terms of Opinion JL-01, of May 18, 2020.

The credit to be paid to the assignee is exactly that which would have gone to the assignor (contractor) for the performance of the contractual object, leaving absolutely unscathed all defenses and exceptions to payment and all other clauses exorbitant to the common law applicable in the public law legal regime applicable to administrative contracts, including the possibility of payment into a linked account or payment on actual proof of the triggering event, when applicable, and the discounting of fines, disallowances and losses caused to the Administration.

The assignment of credit will not affect the execution of the contracted object, which will remain under the full responsibility of the contractor.

8. Supplier selection criteria

8. FORM AND CRITERIA FOR SELECTING THE SUPPLIER

Form of selection and criteria for judging the tender

The supplier will be selected by means of a BIDDING procedure, in the form of an ELECTRONIC BIDDING, through the Price Registration System - SRP, with the adoption of the LOWEST PRICE judgment criterion.

The reason for inviting foreign companies to tender stems from the findings already listed in the Preliminary Technical Study, attached to these Terms of Reference.

Qualification requirements

For qualification purposes, the bidder must prove the following requirements:

Legal qualification

Individuals: identity card (RG) or equivalent document that is valid by law for identification purposes throughout national territory;

Individual entrepreneur: registration with the Public Registry of Commercial Companies, under the responsibility of the Board of Trade of the respective head office;

Individual Microentrepreneur - MEI: Certificate of Individual Microentrepreneur Status - CCMEI, acceptance of which will be subject to verification of authenticity on the website <https://www.gov.br/empresas-e-negocios/pt-br/empreendedor>;

Business company, sole proprietorship limited company - SLU or company identified as an individual limited liability company - EIRELI: registration of the memorandum of association, articles of association or articles of association with the Public Registry of Commercial Companies, under the responsibility of the Board of Trade of the respective head office, accompanied by a document proving its directors;

Foreign company: authorization to operate in Brazil, published in the Federal Official Gazette and filed with the Board of Trade of the federative unit where the branch, agency, branch or establishment is located, which will be considered as its headquarters, according to DREI/ME Normative Instruction No. 77, of March 18, 2020.

Foreign companies that do not operate in the country must submit equivalent documents, in the form of regulations issued by the Federal Executive Branch. Sole paragraph, art. 70, Law 14.133/2021

Simple company: registration of the memorandum of association with the Civil Registry of Legal Entities of the place where it has its registered office, accompanied by a document proving its directors;

Subsidiary, branch or agency of a simple or entrepreneurial company: registration of the constitutive act of the subsidiary, branch or agency of the simple or entrepreneurial company, respectively, in the Civil Registry of Legal Entities or in the Public Registry of Mercantile companies where it operates, with registration in the Registry where the head office is based.

Cooperative society: minutes of foundation and bylaws, with the minutes of the meeting that approved them, duly filed with the Board of Trade or registered with the Civil Registry of Legal Entities of the respective headquarters, in addition to the registration referred to in art. 107 of Law no. 5.764, of December 16, 1971.

Family farmer: valid Declaration of Aptitude to Pronaf - DAP or DAP-P, or other documents defined by the Special Secretariat for Family Agriculture and Agrarian Development, under the terms of art. 4, §2 of Decree No. 10,880, of December 2, 2021.

Rural Producer: registration in the INSS Specific Registry (Cadastro Específico do INSS - CEI), proving qualification as an individual rural producer, under the terms of RFB Normative Instruction 971, of November 13, 2009 (arts. 17 to 19 and 165).

Current **authorization** for the production of ballistic material by the competent body of the country of origin.

The documents submitted must be accompanied by all amendments or the respective consolidation.

Tax, social and labor qualifications

Proof of registration with the National Register of Legal Entities or the Register of Individuals, as the case may be;

Proof of tax compliance with the National Treasury, by presenting a certificate issued jointly by the Brazilian Federal Revenue Service (RFB) and the National Treasury Attorney General's Office (PGFN), referring to all federal tax credits and the Federal Active Debt (DAU) administered by them, including those related to Social Security, under the terms of Joint Ordinance No. 1.751, of October 2, 2014, of the Secretary of the Federal Revenue Service of Brazil and the National Treasury Attorney General.

Proof of good standing with the Severance Indemnity Fund (FGTS);

Proof that there are no debts in default before the Labor Court, by presenting a negative or positive certificate with negative effect, under the terms of Title VII-A of the Consolidation of Labor Laws, approved by Decree-Law No. 5,452 of May 1, 1943;

Proof of registration in the [State/District] taxpayers' register for the supplier's domicile or head office, pertinent to its field of activity and compatible with the contractual object;

Proof of good standing with the [State/District] Treasury of the supplier's domicile or headquarters, relating to the activity in which it contracts or competes;

If the supplier is considered exempt from [State/District] taxes related to the contractual object, it must prove this condition by submitting a declaration from the respective tax office of its domicile or headquarters, or another equivalent, in accordance with the law.

Suppliers classified as individual micro-entrepreneurs who wish to benefit from the differentiated treatment provided for in Complementary Law 123 of 2006 are exempt from proof of registration in the state and municipal tax registers.

Economic and Financial Qualification

Negative certificate of civil insolvency issued by the distributor of the domicile or headquarters of the bidder, in the case of an individual, provided that their participation in the bidding is admitted (art. 5, item II, point "c", of Seges/ME Normative Instruction no. 116, of 2021), or a simple company;

No bankruptcy certificate issued by the distributor of the supplier's headquarters - Law no. 14.133, of 2021, art. 69, caput, item II);

General Liquidity (LG), General Solvency (SG) and Current Liquidity (LC) ratios, greater than 1 (one), proven by the bidder's presentation of the balance sheet, income statement and other accounting statements for the last 2 (two) fiscal years and obtained by applying the following formulas:

General Liquidity (GL) = (Current Assets + Long-Term Assets)/(Current Liabilities + Non-Current Liabilities); General Solvency (GS) = (Total Assets)/(Current Liabilities + Non-Current Liabilities); and

Current Liquidity (LC) = (Current Assets)/(Current Liabilities).

If the bidding company shows a result of less than or equal to 1 (one) in any of the General Liquidity (GL), General Solvency (GS) and Current Liquidity (CL) ratios, a minimum net worth of 5% of the total estimated value of the contract will be required for qualification purposes.

Companies created in the financial year of the tender must meet all the requirements for qualification and may replace the financial statements with the opening balance sheet (Law 14.133 of 2021, art. 65, §1).

The balance sheet, income statement and other accounting statements shall be limited to the last financial year in the event that the legal entity was incorporated less than two (2) years ago. (Law No. 14.133, of 2021, art. 69, §6)

Compliance with the economic indices set out in this item must be attested to by a declaration signed by a qualified accounting professional, presented by the supplier or an equivalent document.

Technical Qualification

Proof of ability to supply similar goods of equivalent or greater technological and operational complexity to the object of this contract, or to the relevant item, by submitting certificates or attestations from legal entities governed by public or private law, or regularly issued by the competent professional council, where ~~applicable~~

For the purposes of this sub-item, the certificates must relate to contracts executed with the following minimum characteristics:

Attestation that demonstrates in its individuality or sum the most relevant part of the supply that is the object of this bid, i.e. ammunition, in accordance with art. 67, §1 of Law 14.133/21.

Pertinent and compatible in terms of quantity: A certificate proving that the company has effectively delivered or is delivering the ammunition required in this bid, the quantity of which is at least 10% of each item. Allowing the sum of concurrent contracts or not to reach the required quantity; art. 67, § 2 of Law 14.133/2021.

If the bidder is a foreign company that does not have a technical capacity certificate, it can be proved by *invoices* or other equivalent documents, after analysis and acceptance by the technical team.

For the purposes of proving the minimum quantity, it will be permissible to present and add together different certificates that have been executed concurrently.

Technical capacity certificates may be submitted in the name of the supplier's parent company or subsidiary.

The supplier will provide all the information necessary to prove the legitimacy of the certificates, presenting, when requested by the Administration, a copy of the contract that supported the procurement, the current address of the contractor and the place where the contracted work was carried out, among other documents.

It must be valid and current:

Authorization from the Brazilian Army for all products that are controlled by it, with regard to manufacture, use, import, clearance, traffic, trade and commercial representation must comply with current legislation, and a document must be presented to prove authorization or the company's details must appear on the Army's list of companies authorized (registered) to manufacture and produce PCE.

For foreign companies, an equivalent document authorizing or licensing the above activities must be presented.

All documents must be submitted at the time of the tender or the official list can be consulted on the Brazilian Army (EB) website.

This proof may be provided by adding up the quantities carried out in as many contracts as the Bidder has available.

9. Estimated Contract Value

Amount (R\$): 182.351.867,37

9. ESTIMATES OF THE VALUE OF THE CONTRACT

The total estimated cost of hiring ammunition from the managing body is R\$68,600,080.79 (sixty-eight million, six hundred thousand, eighty reais and seventy-nine cents).

The total estimated cost of contracting ammunition for the participating bodies is R\$113,751,786.58 (one hundred and thirteen million, seven hundred and fifty-one thousand, seven hundred and eighty-six reais and fifty-eight cents).

The total estimated contract is **R\$ 182,351,867.37 (one hundred and eighty-two million, three hundred and fifty-one thousand, eight hundred and sixty-seven reais and thirty-seven cents)**, as shown in the table below:

10. Budget adequacy

10. BUDGET ADEQUACY

The expenses arising from this contract will be covered by specific funds allocated in the Federal Budget

The appropriation for subsequent financial years will be indicated after approval of the respective Budget Law and release of the corresponding credits, by means of an apostille.

it should be noted that the Administration complied with the provisions of art. 7 of SEGES Normative Instruction no. 58, of 2022, Law no. 12,527, of November 18, 2011 and art. 13 of SEGES/ME Normative Instruction no. 58, of August 8, 2022.

11. International Auction

RATIONALE FOR THE USE OF INTERNATIONAL TENDERING - THE EXPANSION OF COMPETITIVENESS AND ITS EFFECTS ON THE OPTIMIZATION OF THE AGENCY'S RESOURCES

In the discipline of public tenders, the Auction ended up becoming the modality of choice for the acquisition of common goods precisely because its competitive phase, by bringing together all interested parties who were previously excluded in the qualification phase, increased the universe of competitors. During the Preliminary Study, it was observed that this expansion of the list of participants is vital for obtaining the binomial best prices/best specifications. What international bidding provides is an expanded list of competitors. It should be noted that the participation of national companies remains unchanged and their isonomy is guaranteed through the equalization of proposals.

The adoption of international bidding will bring a series of advantages:

Possibility of acquiring equipment with advanced technology without excluding national companies that meet the specifications and certifications required according to doctrine and technical criteria;

Reduction in the value of the goods to be purchased directly from abroad;

Increased competitiveness, due to the possibility of foreign companies participating, which does not exclude the participation of national companies.

Savings for the public purse, especially for the Federal Police budget, will allow more equipment to be purchased with the same budget in the case of items not produced or made available by national companies.

With regard to the electronic form, it should be noted that the prior qualifications and registrations required, as well as the electronic bidding process, are a major advance in the federal government's procurement system. This reality applies to domestic suppliers. This is because the electronic form requires the company to register on the Federal Government's procurement website and the key to this is the CNPJ (National Register of Legal Entities), which restricts the participation of international companies in their own name. The alternative is for these companies to participate through a national representative qualified to do so. Another problem concerns the placing of bids and the equalization of bids, since bids in foreign currency are not accepted on the Federal Government's government procurement website. There is also no functionality for equalizing bids, leaving it up to the bidders to find out about the system of taxes that encumber the goods being bid on, which can lead to misunderstandings that hinder the smooth running of the session.

As mentioned above, for these reasons the Federal Police has used the in-person bidding method for international tenders in previous processes. However, other agencies have been using the electronic form, which is why the electronic form, which is the one of choice, will be used at the moment.

According to research on the National Public Procurement Portal and the Price Bank, it was found that almost all of the ammunition supply contracts currently carried out nationwide are direct contracts, due to the small number of domestic suppliers. Thus, in order to seek efficiency (art. 37 of the Federal Constitution), increase competitiveness (art. 5 of Law 14.133/21), since the market in this case is inverted, since there are a significant number of manufacturers abroad, and it is necessary to make market considerations in the contract planning phase (art. 18 of Law 14.133/21), in addition to the need to encourage the supply of more suitable ammunition that surpasses the limited quality seen in national purchases, for these reasons we seek to increase competition in order to raise the quality level of purchases.

12. Consortium and Cooperatives

NON-ADMISSION OR NON-PARTICIPATION OF CORPORATIONS AND COOPERATIVES

Consortium

In order to allow or disallow the participation of companies in consortia, it is necessary to consider how the goods to be purchased will be supplied. Participation in a consortium is usually of interest to the buyer/contractor when the proposed solution is complex and does not appear as a stock item, but is a solution to be built in which the parts that make it up are supplied by different market players and these represent representative portions of the whole and these portions need to be received in an integrated and simultaneous manner. The technological and knowledge transfer content is also verified in the formation of consortia for the acquisition of complex police/military solutions. Another approach that recommends consortia is that of economy. Every time a company hires another company to carry out part of an object, it adds profit and taxes to the amount charged to the Administration. This is why subcontracting should normally be allowed at a reduced percentage compared to the total value of the contract.

Another reason for admitting companies in consortia is to increase competitiveness. In complex solutions, only a few companies are able to offer the solution in its entirety. In this case, the items to be purchased are common market goods, which is why the participation of companies in consortia will not add benefits to the same extent that their admission will add complexity to the procedure.

Cooperatives

In order to guarantee the regularity, quality and safety of the services provided by the Public Administration, we cite some of the main reasons for prohibiting the participation of cooperatives in this tender:

Control and accountability: By prohibiting the participation of cooperatives, the Public Administration seeks to avoid the difficulty of control and accountability for the services provided. Cooperatives are made up of associated members, and the turnover of cooperative members can hinder the stability and continuity of services, making it complex to define responsibilities in the event of failures or problems in the execution of the contract.

Legal certainty: The prohibition avoids ambiguous situations and potential legal questions, since cooperatives have a peculiar nature and are subject to different rules compared to other forms of business organization. By allowing cooperatives to participate, there could be conflicts of interpretation over contractual rights and duties, affecting the legal certainty of contracts.

Guaranteeing the quality of services: Contracting services with exclusive dedication of labor can be sensitive, requiring the selection of qualified, stable and committed professionals. By prohibiting the participation of cooperatives, the Administration seeks to ensure that the contractors are companies incorporated as businesses, with the structure, history and capacity to offer the specialized labor required to fulfill the contract.

Compliance with labor and social security obligations: Cooperatives may face difficulties in ensuring full compliance with labor and social security obligations in contracts with exclusive dedication of labor. The risk of default could be transferred to the Public Administration, which is undesirable and damaging for both parties.

13. Small businesses and micro-enterprises

THE NON-ACCEPTANCE OF QUOTAS FOR SMALL BUSINESSES AND MICRO-ENTERPRISES

No quota will be established for EPP/ME, based on item III of art. 49 of Complementary Law no. 123/06, because the differentiated and simplified treatment for micro and small companies is not advantageous for the Public Administration because it could harm the overall complexity of the object to be contracted, and there are losses in this dynamic when different products are used, with different suppliers.

A quota of up to 25% (twenty-five percent) of the object will not be provided for the contracting of micro and small companies, in accordance with the premise established in Art. 48, item III of Complementary Law No. 123, of December 14, 2006, amended by Complementary Law No. 147, of August 7, 2014, received by Art. 4º of Law No. 14.133, of April 1, 2021, given that there are no three competitive suppliers classified as ME or EPP based locally or regionally and capable of meeting the requirements set out in this call, as provided for in Art. 49, item II, of the aforementioned Complementary Law Art. 10, item I, of Decree No. 8.538, of October 6, 2015.

14. Responsible

All electronic signatures follow official Brasilia time and are based on §3 of Art. 4 of [Decree No. 10,543 of November 13, 2020](#).

LUCIAN RICARDO GUEDES FIDELIS

Hiring agent

EDUARDO HOFMANN

Hiring agent

FERNANDO ALMEIDA CORNELIUS

Hiring agent

EMANUEL PIMENTEL DANTAS

Hiring agent

ANDRE LUIS LIMA CARMO

Competent authority