



**MINISTRY OF FOREIGN AFFAIRS**  
**BRAZILIAN FINANCIAL OFFICE IN NEW YORK**

**TERMS OF REFERENCE**

(Administrative Process No. 09009.000172/2019-96)

**1. THE OBJECT**

1.1. Hiring of medical insurance, dental insurance, life insurance and accidental death and general accident insurance, to meet the needs of the Complementary External Medical Service Plan (PCAMSE), as per the conditions, quantities and demands established in this instrument:

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>Measurement Unit</b>	<b>Amount</b>
1	Health insurance	Insured member	4,693
2	Dental insurance	Insured member	4,693
3	Life insurance	Insured member	4,300
4	AD&D	Insured member	4,300

1.2. The nature of the tender's object is common insurance service.

1.3. The amounts of items are described in the table above.

1.4. This hiring shall adopt, by means of performance regime, Contract Work by Global Price.

1.5. The Contract term is of 12 (twelve) months, which may be extended in the interest of the parties up to the limit of 60 (sixty) months.

1.6. If the contracted party have no interest in the contract's renewal, a communication must be sent to the BFO 60 days before the contract's expiration date.

**2. HIRING JUSTIFICATION AND PURPOSE**

2.1. The hiring purpose herein is to guarantee to the employees of the Complementary Medical Assistance Program of Foreign Service (PCAMSE) the benefits to which they are entitled according to Brazilian legislation.

2.2. PCAMSE includes medical insurance, dental insurance, life insurance and accidental death and general accident insurance.

2.3. The PCAMSE covers all current and future qualified servants and their dependents, as well as current and future retirees and pensioners, as established in this notice. Furthermore, the bidder will allow the determination about eligibility for the insurance to be established solely by BFO. No medical report will be required, nor will any grace period or limitations for pre-existing diseases be imposed for the admission of policy holders.

2.4. The attachments, the attached additions, the auxiliary additions and the top officials who are on a permanent mission abroad and their dependents who accompany them abroad shall be able to join the PCAMSE.

2.5. In order to make the PCAMSE effective, it is necessary to hire an insurance plan abroad with a reputable, traditional and efficient company in the health, accident and life insurance business.

2.6. The services to be bid have been provided by Allianz Worldwide Care. Considering that the contracted object is of a continuous nature and that on March 31, 2021 the maximum period for the contractual term established in Brazilian legislation, there is a need to conduct a bidding process to select a company for the next 12-month period, renewable for up to 60 months.

### **3. DESCRIPTION OF THE SOLUTION**

3.1. The description of the solution as a whole covers the providing of medical insurance, dental insurance, life insurance and accidental death and accident insurance, to meet the needs of the Complementary External Medical Service Plan.

### **4. SERVICE CLASSIFICATION AND MEANS OF SUPPLIER SELECTION**

4.1. It is a common service of a continuous nature without the supplying of manual labor in an exclusive dedication regime, to be contracted through a bidding tender, in the competition modality.

4.2. The services to be contracted do not constitute an activity whose indirect performance is not permitted by Brazilian law.

4.3. Service provision does not generate an employment relationship between the Contracted Party's employees and the BFO, vetoing any relationship between them characterized as personal and direct subordination.

### **5. HIRING REQUIREMENTS**

5.1. The contracting requirements cover the following:

5.1.1. The continuous nature of the services, in view of the uninterrupted need to provide medical and dental care and life and accidental death and accident insurance coverage;

5.1.2. Proof of the technical and administrative capacity to meet the object, with the availability of human and material resources necessary for the perfect performance of the contract to be signed with the body;

5.1.3. The initial contract term of twelve (12) months, with the possibility of annual extension by BFO for equal periods, up to a maximum of 60 months;

5.1.4. Establishment of a group insurance policy abroad that provides for a system of reimbursing the expenses incurred by the server;

5.1.5. The bidder's statement that they are fully aware of the conditions necessary for the service provision;

5.1.6. Special requirements:

5.1.6.1. To meet all the mandatory requirements established on part 2 of the RFP notice

5.1.6.1. .

5.2. Bidder's statement that they are fully aware of the conditions necessary for the service provision.

5.3. The obligations of the Contracted Party and the BFO are provided for in this term of reference.

### **6. EXECUTION MODEL**

6.1. The object execution will follow this dynamic:

6.1.1. The verification of eligibility for the PCAMSE is the exclusive responsibility of the Ministry of Foreign Affairs, and the contracted party may not excuse itself from the service provision on behalf of a person indicated as a beneficiary by the Brazilian Financial Office in New York.

6.1.2. The life insurance and accidental death and accident insurance policies shall only cover those employees of the PCAMSE in the quality of employees. Insurance in the quality of

dependents or social security receiving employees will not have the right to life insurance and accidental death and accident insurance.

6.1.3. The indication of the life insurance employees will be done by the employee upon enrollment in the PCAMSE through the proper form which will be filed in the Staff Division. The designation of life insurance employees may be modified, at any time, by the policy owner by means of the appropriate form.

6.1.4. It will be the responsibility of the Brazilian Financial Office in New York, in case of death of a policy owner, to forward the list of employees of the life insurance policy for the realization of payment to the contracted party.

6.1.5. The contracted party will execute the object in compliance with the rules established in the RFP Notice and its appendix, as well as observing the following conditions:

6.1.5.1. The PCAMSE beneficiary will be able to opt for utilizing the services of the endorsed network, where available, or to request reimbursement of expenses related to medical and dental services performed out-of-network.

6.1.5.2. In cases using an accredited network, implementation of a system by which an expense may be paid directly to the provider of the service by the contracted party is allowed. It will be up to the Contracted Party to charge the beneficiary for the payment of values related to co-payment;

6.1.5.3. Whenever possible, the contracted party shall evaluate the possibility of making the direct payment of the medical expenses to the service provider, even if such provider is not part of its accredited network;

6.1.5.4. In the case of emergencies taking place in locations where there are not minimal conditions for hospital-medical assistance, the contracted party shall be responsible for the evacuation of the active employee and his dependents to the closest location where assistance can be provided.

6.2. The service execution will start on April 1 2021, as follows:

6.2.1. The Contracted Party will begin to process reimbursement requests for medical and dental expenses borne by the policyholder starting on the start date of the service execution;

6.2.2. The Contracted Party shall provide coverage of the life and accidental death and accident insurance to the insured members from the start date of the service execution.

## **7. CONTRACT ADMINISTRATION MODEL AND MEASUREMENT CRITERIA**

7.1. The contract model to be submitted by the winning bidder shall present a proposal of performance goals ("performance guarantees" or "result measurement instrument"). Companies may present the standard they currently use to assess the attainment of goals. They must, additionally, indicate in their proposals the evaluation method they will use to measure the attainment of prioritized goals established by the Brazilian Financial Office, namely: the implementation of an endorsed network, the speed and effectiveness of the processing of requests for reimbursement, payment and overall accuracy.

7.1.1. Payment Accuracy refers to the percentage of claims processed without payment errors.

7.1.2. Overall Accuracy refers to the percentage of claims processed without errors (financial or procedural) of any type.

7.2. The damage caused by the non-fulfillment of the *performances guarantees* or the result measurement instrument may be deducted from the annual premium value.

7.3. The performance guarantees to be proposed according to sub-item 7.1 shall include provisions that contemplate, at least, the following:

### **a. Service level monitoring**

I. The Brazilian Financial Office in New York will monitor the performance of the contracted party in relation to the service levels, and the contracted party agrees to make available the

information necessary to assess its performance. This performance will be reviewed quarterly, in a manner to be agreed upon in the future.

**b. Account Management**

I. The contracted party shall designate an account management team dedicated to the Brazilian Financial Office, which shall operate, at least, from Monday to Friday, by phone or e-mail.

II. The Management Team will participate in audio conferences and visits to the Brazilian Financial Office in New York, when requested, with seven (7) business days notice.

III. The Brazilian Financial Office will be eligible to request that the Account Management Team handle service issues (beneficiary hot line, claims, administration) at any time. The Account Management Team will have 48 hours (from the first business day) to respond, either with a solution or with an established timeframe to resolve the issue. The maximum timeframe to resolve everyday service issues will be five (5) business days. For complex service issues, the timeframe will be agreed upon on a case-by-case basis.

**c. Customer Help Line Support**

I. The customer help line service in English language should be in operation 24 hours a day, 7 days a week, except for in cases of programmed maintenance, which shall be communicated to the BFO 90 days in advance.

II. The Customer Help Line Support in Portuguese language will be available, at least, Monday to Friday, from 8 am to 8 PM EST. Out of this period, the helpline must be provided by translation support if the customer cannot communicate in English, during the first year of contract. As of the commencement of the second year of contract, the Customer Help Line Support in Portuguese must be available 24 hours a day, 365 days a year.

III. 80% of calls must be answered in up to 30 seconds.

IV. The call abandonment rate will be lower than 5%.

V. 95% of all e-mails will be replied to within 2 business days.

VI. The contracted party shall present quarterly statistical information to the BFO that shows the performance level obtained in comparison with the agreed service levels.

**d. Support for reimbursement requests**

I. Support for reimbursement requests must operate from, at least, Monday to Friday, for 8 consecutive hours.

II. 80% of properly filled out reimbursement request forms (clean claims) will be settled within 10 (ten) business days from receipt. The beneficiary will be notified, and the reimbursement instructions, sent to the person responsible for payment hired by the Contracted Party.

III. When additional information is needed to conclude the process, the Contracted Party shall, in 95% of the cases, request them from the beneficiary or the service provider within 2 business days. In 95% of cases, additional information must be requested within 5 (five) business days from the receipt of the incomplete claim.

IV. The contracted party may not demand, from the beneficiary, information and documents in non-conformity with the clauses of this reference term and the contract, such as, e.g., medical referral for procedures in which the document is not required.

V. When a reimbursement request is presented in a language other than English or Portuguese, the request conclusion period may be extended for up to ten additional (10) business days.

VI. The refusal to reimburse claims equal to or greater than US\$1,000.00 (one thousand dollars) for the employees located outside Brazil and R\$1,000.000 (one thousand Brazilian reais) for employees located in Brazil shall be communicated by the contracted party to the Brazilian Financial Office until day 10 of the following month through a list with the initials of the beneficiaries and the value of the denied claims. The BFO may request further information regarding specific claims from

the account management team and negotiate the decision review, within the policy parameters, provided the applicable privacy laws are respected.

VII. The reimbursement may be done in Brazilian Real (R\$) or United States Dollar (US\$), at the choice of the insured member, as long as their bank account accepts the currency.

VIII. The contracted party shall formalize the conclusion of the claim, with account statements that shall include the reimbursable and non-reimbursable values, deductibles and co-payments. The claim's denial may not be based on generic allegations and the reason why the procedure will not be reimbursed must be explained.

**e. Customer Satisfaction Survey**

I. The Contracted Party must carry out an annual customer satisfaction survey including all health insurance users, in format and time to be decided in the future with the BFO.

**f. Reductions related to the performance goals**

I. Failure to comply with any clauses of item 7 that result in liquidated damages for two consecutive months will render the Contracted Party liable to premium reduction proportional to the default, per month of default. Prior to the commencement of the Contract the parties will agree on the parameters to calculate the percentages of reduction that correspond to each breach.

II. The premium reduction will be discounted from the value due by the BFO to the contracted party in the payment of the next invoice to be liquidated.

The maximum premium reduction at risk under item 7 will be 2% of the annual billed premium for the medical and dental plan per insurance year.

**8. RELEVANT INFORMATION FOR PROPOSAL SIZING**

8.1. The entity's demand is based on the characteristics contained in the annexes to the RFP Notice.

**9. BFO'S OBLIGATIONS**

9.1. Demand the fulfillment of all the obligations taken on by the Contracted Party, according to the contractual clauses and the terms of their proposal;

9.2. Exercise the monitoring of services through representatives of the BFO, documenting the detected flaws in the appropriate record, indicating the day, month and year, as well as the name of the Contracted Party's employees possibly involved, and sending the reports to the proper authority for the appropriate measures;

9.3. Notify the Contracted Party in writing of the occurrence of possible imperfections, flaws or irregularities seen in the course of the execution of services, setting the most efficient and reasonable period possible, no less than 30 days, for their correction certifying that the solutions proposed by the contracted party are the most suitable;

9.4. Pay to the Contracted Party the amount resulting from the rendering of service, within the time period and conditions established in this Term of Reference;

9.5. Refrain from practicing acts of interference in the administration of the Contracted Party, such as:

9.5.1. exercise the power of command over employees of the Contracted Party, reporting only to those designated by it, except when the object of the contracting provides for direct service, such as reception services and user support;

9.5.2. interfere in the hiring process to choose people to work in the Contracted Party enterprises;

9.5.3. consider the employees of the contracted party as potential collaborators of the agency itself or entity responsible for the contracting, especially for effect of concession of daily rates and travel tickets.

9.6. Provide the information necessary for the execution of the contract;

- 9.7. Perform periodic evaluations of the quality of services.
- 9.8. Notify the agency of judicial representation of the Federal Attorney General for the adoption of appropriate measures upon the contracted party's non-compliance to obligations;
- 9.9. File all documents related to the execution of the contract.

## **10. CONTRACTED PARTY'S OBLIGATIONS**

- 10.1. Execute the services according to specifications in this Term of Reference and its proposal, in the quality and minimum quantity specified in this Term of Reference and its proposal;
- 10.2. Repair, correct, remove or substitute, at its own expense, within the term agreed with the BFO, the services rendered in default;
- 10.3. Take responsibility for the vices and damages occurring during the contract's execution, as well as any damages caused to the Brazilian government or federal entity, and shall immediately reimburse the BFO in full, and the BFO is authorized to discount from the payments owed to the Contracted Party the value corresponding to the damages suffered, in accordance to item 7;
- 10.4. Use qualified employees with the necessary knowledge of the services to be executed, according to the market standards;
- 10.5. Do not permit employees who are relatives of Brazilian Foreign Service members in trust positions to work in activities related to the contract signed with the BFO
- 10.6. If they have a physical office and revenues directly located and originated in Brazil, and when it is not possible to verify the regularity in –Brazilian government systems, the contracted company shall deliver to the responsible sector for the contract inspection, by the thirtieth of the month following the service provision, the following documents: 1) proof of regularity related to Social Security; 2) joint federal tax and liabilities clearance certificate; 3) certificates that prove regularity before the Municipal or District Revenue of domicile or headquarters of the contracted party; 4) Certificate of Status of FGTS – CRF; and 5) Clearance Certificate of Labor Debts – CNDT;
- 10.7. Communicate to the contract Inspector, in a timely and reasonable manner, but not less than two business days, any event that the contracted party knows or should know is a violation of the RFP requirements.
- 10.8. Provide all clarifications or information requested by the BFO or its agents, guaranteeing them access, to the work locations, as well as to the documents related to the contract's execution.
- 10.9. Paralyze, by determination of the BFO, any activity that is not being executed according to good technique or that puts at risk the safety of people or property of third parties.
- 10.10. Promote the technical and administrative organization of the services, in order to conduct them efficiently and effectively, according to the documents and specifications that integrate this Term of Reference, within the determined term;
- 10.11. Comply with all applicable laws.
- 10.12. Maintain during the entire term of the contract, in compatibility with the obligations taken on, all the qualification conditions demanded in the RFP;
- 10.13. Maintain confidentiality of all information obtained in the execution of the contract;
- 10.14. Bear the burden resulting from eventual misunderstandings in the pricing of their proposal, including variable costs resulting from future, uncertain factors, and duly complement them, in case the value predicted initially in the proposal is not satisfactory for the fulfillment of the contract, except when one of the following events occurs:
  - 10.14.1. alteration of the project or specifications by the BFO;
  - 10.14.2. supervening of exceptional or unpredictable facts, foreign to the parties' will, which fundamentally alters the contract execution conditions;
  - 10.14.3. interruption of the contract execution or slowdown in the work rhythm by order and in the interest of the BFO;

10.14.4. increase of the quantities initially provided for in the contract, within the limits allowed by the Brazilian legislation;

10.14.5. deterrent of contract execution due to fact or act of third parties acknowledged by the BFO in a document contemporary to its occurrence;

10.14.6. omission or delay of measures due by the BFO, including payments that result, directly, in the hindrance or delaying of the contract execution.

10.15. In addition, Contracted party will satisfy its obligations with the highest degree of skill and care applicable to similarly situated entities that are conducting similar activities.

## **11. SUBCONTRACTING**

11.1. The subcontracting of the bidding object will not be admitted.

## **12. SUBJECTIVE ALTERATION**

12.1. The merging, dissolution or incorporation of the contracted party with/into another legal entity is acceptable, as long as the new legal entity observes all the requisites of competence required in the original bidding; the other clauses and conditions of the contract are maintained; there is no impairment to the execution of the agreed service and the express consent of the BFO is provided for the continuation of the contract.

## **13. CONTROL AND INSPECTION OF THE EXECUTION**

13.1. The monitoring and inspection of contract execution consists of the verification of compliance of the rendering of services, of the materials, methods and equipment employed, to ensure the perfect compliance of the arrangement, which shall be exercised by one or more representatives of the contracted party, specially designated.

13.2. The BFO's representative shall have the qualification necessary for the monitoring and control of the service execution and contract.

13.3. The verification of suitability to render the service must be performed based on requirements stipulated in this term of reference.

13.4. The contract inspection, upon verification that there was sub-sizing of the agreed upon productivity, without the loss of quality in the service execution, shall communicate to the responsible authority so they may promote the contract adaptation to productivity effectively carried out, respecting the limits of alteration of the contractual values foreseen in the Brazilian legislation.

13.5. The compliance of material/technique/knowledge to be utilized in the execution of services must be verified along with the Contracted Party's document containing the detailed description of the same, according to what's established in this term of reference, informing the respective technical specifications, such as: brand, quality and instructions for use.

13.6. The representative of the contracted party must further the recording of verified occurrences, adopting the arrangements necessary for faithful compliance to the contractual clauses.

13.7. Total or partial non-compliance with the obligations and responsibilities assumed by the Contracted Party shall occasion the application of administrative sanctions stipulated in this term of reference and in the legislation in force, possibly culminating in contractual termination.

13.8. The activities of managing and inspecting the contractual execution shall be realized in a preventive manner, routinely and systematically, and may be exercised by servants, an inspection team or a single servant, as long as, in the exercise of these duties, the distinction of these activities is assured and, because of the volume of work, does not compromise the performance of all actions related to the Contract Management.

13.9. The technical inspection of the contracts shall constantly evaluate the object execution and shall use the measurement criteria provided for in chapter 7 of this Term of Reference, and the

payment shall be adjusted based on the established indicators, whenever the CONTRACTED PARTY:

- a) does not produce the results, neglect to execute, or not execute contractual activities with the minimum required quality; or
- b) does not use the human resources required for the performance of the service, or uses those resources in lower quantity or quality compared to the demand.

13.9.1. The usage of the measurement criteria established in chapter 7 of this Term of Reference does not impede the concomitant application of other mechanisms for the evaluation of service providing.

13.10. During the purpose execution, the technical inspector shall constantly monitor the service quality level to avoid its degeneration, and shall intervene to request from the CONTRACTED PARTY the corrections of verified faults, failures or irregularities.

13.11. The technical inspector shall present to the CONTRACTED PARTY's agent the evaluation of the purpose execution or, if such is the case, the evaluation of the performance and quality of the service provision carried out.

13.12. Under no circumstances, will the CONTRACTED PARTY itself be allowed to perform the evaluation of performance and quality of the rendering of services.

13.13. The CONTRACTED PARTY may present justification for the rendering of service with lower level of compliance, which may be accepted by the technical inspector, as long as the exceptional nature of the occurrence is proven, resulting exclusively from factors that are unforeseeable and out of the provider's control.

13.14. The technical inspector may carry out daily, weekly or monthly evaluations, as long as the period chosen is enough to evaluate or, if such is the case, gauge the performance and quality of the service provision.

13.15. The inspection referred to in this clause does not exclude nor reduce the responsibility of the CONTRACTED PARTY, including before third parties, for any irregularity, even those resulting from technical imperfections or crippling flaws, and, in the occurrence of such, it does not imply co-responsibility of the BFO or its agents, managers and inspectors.

#### **14. FINANCIAL MODEL AND PAYMENT**

14.1. The financial model of the insurance to be contracted is that of fully-insured participating, an alternative that guarantees that the Ministry of Foreign Affairs will not spend more than the value of the contract to be signed with the winning bidder. The life insurance and accidental death and dismemberment insurance will be fully-insured, and its associated costs are included in the total amount of the premium contracted. The value of the contract will correspond to the amount of the premiums for the four plans (medical and dental insurance, life insurance, accidental death and accident insurance) for a twelve month period.

14.2. To calculate the amount due to the contracted party for the services provided, two installments shall be considered, the first, for the life and accidental death and accident insurances, and the second for medical and dental insurances.

14.3. The installment of the amount for the life and accidental death and accident insurances is invariable and does not depend on the quantity of claims made during the contract year. Thus, the monthly value due to the contracted party corresponds to 1/12 (one twelfth) of the annual amount of the respective premiums.

14.4. The installment of the amount relative to the medical and dental insurances is variable according to the reimbursements paid during the contract year. The BFO shall pay to the contracted party 85% (eighty-five percent) of the annual premium contracted in the proportion of 1/12 (one twelfth) per month. The payment of the remaining 15% (fifteen percent) will depend on the financial output of the insurance policy. Accounting for the insurance policy will be done at the end of the



contract. In case of surplus, the contracted party will not be obliged to repay any amounts to the BFO who will be released from paying the remaining 15% (fifteen per cent). In the event that expenses exceed 85% of the annual premium of the contract, the contracted party is obliged to pay expenses up to a maximum of 100% (hundred percent) of the annual value of the contract. The contracted party will be solely responsible for payment of expenses exceeding the annual value of the contract.

14.5. In the calculation of the amount due monthly, possible alterations will be considered in the quantitative of insured members, making the adjustments *pro rata*, if such is the case.

14.6. The payment will be made by the BFO within the period of 30 (thirty) days, counting from the receipt of the Invoice.

14.7. Exclusively in the case of the Contracted Party having a physical office and revenues directly located and originated in Brazil, the Invoice must be accompanied by proof of fiscal clearance, verified through on-line consult to the SICAF or, in the impossibility of access to the aforementioned System, through consult to the official electronic sites or to the documentation that proves fiscal and labor clearance.

14.7.1. If the situation on non-clearance of the contracted supplier with SICAF is verified, the following measures should be taken:

14.7.1.1. If the situation of irregularity, with SICAF, of the Contracted supplier is verified, their notification will be provided, in writing, so that, within the period of five (5) business days, the supplier may regulate their situation or, in the same period, present their defense.

14.7.1.2. The term of the previous paragraph will be extended once, for an equal period, at the BFO discretion.

14.7.1.3. If there is not regularization or the defense is considered unfounded, the Administration shall communicate to the entities responsible for the inspection of fiscal clearance the supplier's default, as well as the existence of payment to be made by the Administration, for the pertinent and necessary means to be added to guarantee the receipt of their credits;

14.7.1.4. If the irregularity continues, the Administration may adopt the measures necessary for the termination of the contract in execution, in the records of the corresponding administrative process, guaranteeing the contracted party full defense.

14.7.1.5. If there is the effective service provision of supplying of goods, the payments will be made normally, until the contract termination is decided, if the supplier does not regulate their situation with Sicaf; and

14.7.1.6. Only for reasons of economy, national safety or other highly relevant public interest, duly justified, in any other case, by the contracting body or entity's maximum authority, will the contract in execution with the company or professional who is irregular with Sicaf not be terminated.

14.8. In order to proceed with payment, the competent sector should verify the invoice submitted with the essential and required details in the document such as:

14.8.1. the period of validity;

14.8.2. the date of issue;

14.8.3. the details of the contract and of the contracting body;

14.8.4. the period for the provision of services;

14.8.5. the amount to be paid.

14.9. In case the invoice presents an error, or circumstances that prevents the liquidation of the expense, the payment will be suspended until the Contracted Party arranges for the repairing measures. In this case, the deadline for payment will begin after verification that the situation has been rectified, not entailing any burden to the BFO;

14.10. The payment will be withheld or suspended, in proportion to the irregularity verified, without detriment to the applicable sanctions, if found that the Contracted Party:

- 14.10.1. did not produce the agreed results;
- 14.10.2. did not perform the contracted activities, or did not perform them with the minimum quality required;
- 14.10.3. did not use the human resources required for the performance of the service, or uses those resources in lower quantity or quality compared to the demand.
- 14.11. The day of payment will be considered to be the day that the bank order for payment is issued.
- 14.12. Before each payment to the contracted party, the maintenance of the qualification conditions demanded in the notice will be verified.
- 14.13. If the situation of irregularity of the Contracted Party is verified, their notification will be provided, in writing, so that, within the period of five (5) business days, they may regulate their situation or, in the same period, present their defense. The term will be extended once, for an equal period, at the BFO's criteria.
- 14.14. If there is no regularization or if the defense is considered unfounded,
- 14.15. The BFO may adopt the measures necessary for the contract termination in the records of the corresponding administrative process, guaranteeing the contracted party full defense.
  - 14.15.1. The contract in execution will be terminated with the contracted party who did not maintain the qualification conditions required in the Notice, except for the reasons of economy, national security or other of highly relevant public interest, duly justified, in any case, by the BFO's highest authority.
- 14.16. Payment, for any reason, for services provided to a private company whose staff includes a public servant on active duty from the contracting body is prohibited.

## **15. READJUSTMENT**

- 15.1 The values are fixed and nonadjustable for the period of one year starting from the closing date for the submission of proposals.
  - 15.1.1 During the term of validity of the contract and by request from the contracted party, the contracted prices may suffer readjustment after interregnum of one year, applying the rule set forth in the specific annex of the RFP.
- 15.2. In the readjustments following the first, the minimum interregnum of one year will be counted starting from the financial effects of the last readjustment.
- 15.3. The readjustment will be made by endorsement.

## **16. SUPPLIER SELECTION CRITERIA**

- 16.1. The requirements of legal qualification and of fiscal and labor regulations are the conventional for all of the objects, according to the provisions of the Publication.
- 16.2. The criteria for economic qualification to be met by the supplier are set forth in the RFP.
- 16.3. The criteria for technical qualification to be met by the supplier are set forth in the RFP.
- 16.4. Criteria for price acceptance is secretive.
- 16.5. The proposal judgment criterion is the lowest overall price.
- 16.6. The tie-breaking rules are as described in the RFP notice.

## **17. ESTIMATE OF PRICES AND REFERENTIAL PRICES**

- 17.1. The estimated cost of the contracting will be made public only and immediately after the opening of the proposals.

**18. THE BUDGETARY FUNDS**

17.2. The contracting is provided for in the Annual Budget Law of 2019 and in the budget proposal for 2021, under the programmatic classification 2118.2004.0002 (Medical and Dental Aid for Civil Servants, Employees, Military Staff and their Dependents - Abroad).

New York, February 14<sup>th</sup>, 2020.

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Sônia Regina Guimarães Gomes  
Head of the Brazilian Financial Office in New York