

BID INSTRUCTIONS

COLOM-PEQ, through its independent Administrator and pursuant to regulations of the Republic of Colombia (Decree No. 0728, July 13, 2012), is managing the allocation of rights to ship certain U.S.-origin chicken leg quarters duty-free to Colombia under a tariff-rate quota (TRQ). This tender is for the **December 2020 TRQ Tranche**, for the **January 1, 2021 to December 31, 2021 shipping period**, in which TRQ Certificates for the following quantity are being offered on open tender to the highest bidder(s):

| | <u>HTS Number</u> | <u>Total Volume for All HTS Nos. (Metric Tons)</u> | <u>Colombian Duty</u> |
|---------------------------------|-------------------|--|---------------------------|
| Leg Quarters, Fresh or Chilled | 0207.1300 A) | | |
| Leg Quarters, Frozen | 0207.1400 A) | 9,622 | Zero |
| Leg Quarters, Seasoned & Frozen | 1602.3200 A) | | |

I. ELIGIBILITY

Any person or entity incorporated or domiciled in the United States is eligible to bid. COLOM-PEQ cannot accept bids from bidders listing an address outside of the United States on their bid form.

II. BID PROCESS

The following requirements and conditions apply to all bids:

- All information requested on the Bid Form must be completed for the bid to be valid.
- **Bids must be submitted by completing the secure bid submission form on the COLOM-PEQ website, www.colom-peq.org. Faxed or e-mailed bids will not be accepted.**
- If you plan to submit more than 25 individual bids please contact the COLOM-PEQ administrator at email: administrator@colom-peq.org or tel: 202-684-2512 for additional instructions.
- A responsible official of the bidder must complete the certification on the secure bid submission form.
- The minimum bid quantity is one (1) metric ton; the minimum bid price is \$44.08 per metric ton (i.e., \$0.02/pound).
- Bids must be submitted in dollars and cents per metric ton. Bids shall not be submitted in amounts that include fractions of a cent as any such bids will not be considered.

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- A bidder may not bid for more than the total volume listed above, either in a single bid or in a combination of bids. Bids in excess of the total volume will be invalid and will not be considered.
- Bidders must submit a performance security in accordance with the requirements stated below or their bids will be invalidated and will not be considered.
- The COLOM-PEQ Administrator will treat all bids as confidential. However, following the close of the auction, COLOM-PEQ will publish on its website, www.colom-peq.org, the following information: (a) the total tonnage for which TRQ certificates were awarded, (b) the average and lowest price per metric ton of all successful bids, and (c) the names of successful bidders.
- Submission of a bid constitutes acceptance of each of these requirements and conditions.

BIDS MUST BE SUBMITTED ON THURSDAY, DECEMBER 10, 2020 BETWEEN 9:00 A.M. AND 5:00 P.M. Eastern Standard Time (EST). Any bids received before or after this date and these times will not be considered. The official receipt time of bids is determined by the time stamp produced by the COLOM-PEQ computer server upon receipt. Bidders will receive e-mail confirmation of the time of receipt immediately following submission of their bid. The COLOM-PEQ Administrator encourages early submission of bids during the bid submission period to ensure timely receipt.

III. REQUIREMENTS FOR THE PERFORMANCE SECURITY

Each bidder must provide a performance security in the amount of \$50,000 USD or **half of** the total value of the bid(s), whichever is less. **The performance security must be received by 6:00 p.m. EST on Friday, December 11, 2020 (i.e., one day AFTER the auction date).** It is recommended that such security be provided prior to the bid submission period.

Performance security must be provided in one of the following forms:

1. Cashier's check payable to "Colombia Poultry Export Quota, Inc." **received by the COLOM-PEQ Administrator on or before 5:00 p.m. EST on Friday, December 11, 2020.**
2. Wire transfer to COLOM-PEQ, Inc. It is the bidder's sole responsibility to ensure that the funds are **received by the bank no later than 6:00 p.m. EST on Friday, December 11, 2020. Wire transfer instructions can be obtained by contacting the COLOM-PEQ Administrator.** Early submission of wire transfers is encouraged due to potential delays between sending and receiving banks.
3. Verifiable irrevocable Letter of Credit for the benefit of COLOM-PEQ issued by an FDIC-insured U.S. bank. The original Letter of Credit **must be received by the COLOM-PEQ Administrator on or before 5:00 p.m. EST on Friday, December 11, 2020.**

A successful bidder will forfeit its performance security in the event that full payment for its winning bid(s) is not received within five (5) business days of its being notified of its award.

A performance security in the form of a wire transfer, cashier's check, or Letter of Credit may be applied to a successful bidder's bid payment only if the bidder has so indicated on the Bid Form. In view of the short deadlines involved, the COLOM-PEQ Administrator strongly discourages the application of a Letter of Credit to a bid payment.

Performance securities will be promptly returned to the bidder following the close of the Open Tender Process unless, pursuant to bidder instructions on the Bid Form, the performance security is applied to the bid price of a successful bid or is retained as security for a subsequent Open Tender Process.

Bidders should provide an address or wire instructions for the return of performance securities.

IV. NOTIFICATION AND PAYMENT

All bidders will be **notified by Monday, December 14, 2020**, whether their bid(s) were successful.

Each successful bidder must pay the full amount of its winning bid(s) by certified check or wire transfer, **which must be received within five (5) business days of the notification** or the performance security will be forfeited.

If the quantity awarded for an individual bid does not match the quantity requested, the bidder has the option to reject all or part of the quantity awarded for that bid without penalty. A successful bidder should notify the COLOM-PEQ Administrator within one (1) business day if it chooses not to accept all or part of an award.

If the full price of one or more successful bids is not received by the due date, or if a successful bidder rejects a partial award, the quantities will be offered to the next highest bidder(s). Performance securities will be retained until all the TRQ Certificates for the auction have been allocated.

V. CERTIFICATES

TRQ Certificates designating the quantity of chicken leg quarters covered will be transmitted to each successful bidder via overnight delivery after receipt of the full amount of a successful bid and within two (2) business days of receiving instructions from the successful bidder concerning the denomination in which TRQ Certificates awarded to it should be issued.

An account will be established for each successful bidder for each quota period, and as requests for TRQ certificates are received and processed, the amount of each certificate will be deducted from each successful bidder's account until certificates in the full amount of their successful bid(s) have been issued.

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TRQ certificates issued in this Open Tender Process will remain valid until December 31, 2021. **The validity date on the certificate(s) is the date by which the shipments must arrive at the port in Colombia AND clear Colombian customs.**

VI. TRANSFERS

TRQ Certificates may be transferred.

1. Agreement on terms of transfer of a Certificate(s) is between the certificate holder and the party to whom it wishes to transfer the certificate(s). COLOM-PEQ shall serve no role in negotiations between a Certificate holder and a party that wishes to acquire quota rights from the Certificate holder, and neither COLOM-PEQ nor the COLOM-PEQ Administrator as they are defined above shall have any liability for, and shall be held harmless and forever discharged from, any and all damages, fees, costs, losses or other equitable, legal, statutory or common law relief for any causes of action, claims, obligations, contracts, torts, costs, penalties, fines, liabilities, attorney's fees, demands or suits, of whatever kind or character, known or unknown, fixed or contingent, liquidated or unliquidated, whether asserted or unasserted, for any dispute arising out of or related to any negotiations or agreements, actual or alleged, between Certificate holders and the parties to whom they have assigned, or have sought to assign, quota rights.
2. Any TRQ Certificate holder who intends to sell, transfer, or assign any rights under that Certificate shall notify the COLOM-PEQ Administrator who shall publish such intention on the COLOM-PEQ web site where it must remain for at least three (3) business days prior to any sale, transfer, or assignment.
3. Any Certificate holder that agrees to transfer its rights to another party must notify the COLOM-PEQ Administrator in writing within three (3) business days of agreeing to transfer its rights, and include in the notification:
 - a) The legal name, address, telephone number and e-mail information of the party to whom it is transferring rights;
 - b) The volume, delineated in metric tons, of quota rights it has agreed to transfer;

If the transfer is for a quantity of quota rights for which COLOM-PEQ has already issued the original holder a TRQ Certificate, a copy of that Certificate showing the endorsement to the acquiring party should be sent to the COLOM-PEQ Administrator within three (3) business days. If the volume the Certificate holder wishes to transfer is less than that included in the original Certificate, the original Certificate must be returned to the COLOM-PEQ Administrator within three (3) business days, the Administrator will promptly void the original Certificate, and issue new Certificates to both parties. If the transfer is for an amount for which COLOM-PEQ has not issued a Certificate, the original Certificate will be issued to the transferee.

It shall be the Responsibility of all successful bidders to inform all parties to which any TRQ certificates may be transferred of the provisions below, since these provisions also shall expressly apply to them and their importers.

VII. DISCLAIMER

ALL BIDDERS ARE HEREBY ADVISED AND PUT ON EXPRESS NOTICE that circumstances unrelated to the business and activities of COLOM-PEQ and the COLOM-PEQ Administrator may arise that could delay or preclude shipments by successful bidders seeking to use their TRQ certificates. Such circumstances may include but not be limited to export requirements of the Colombian Health Ministry, INVIMA, relating to registration of U.S. plants and specific language for salmonella needed for the USDA Food Safety and Inspection Service (FSIS) Certificate of Wholesomeness.

Further, the Colombian import authorities, in accordance with established practice and procedures and in order to preserve the integrity of the auction system, will require that certain information be provided, prior to the date of export from the United States, to the Administrator for transmission to those authorities. This information will include but may not be limited to the name and address of the importer and the importer's "NIT" (i.e., personal identification) number (together, the "Information"). (This number is similar to our taxpayer identification or social security number.) Failure or refusal to provide the Information, or to provide any other information required by Governmental authorities, or to provide it in a timely manner, could result in shipping delays including at the port of entry or refusal of entry. **Such failure or refusal or untimely provision of the Information or other information also could invalidate the affected TRQ Certificate(s) which will then have no force and effect, with the resulting loss of the amounts paid for the applicable successful bid(s) and other possible adverse consequences.** In the event any of these or other consequences may result, directly or indirectly, from the failure or refusal to provide the Information, or any other information required by Governmental authorities, or to provide it in a timely manner, COLOM-PEQ and the COLOM-PEQ Administrator, and their shareholders, members, officers, directors, agents, representatives, employees, attorneys, affiliates, successors and assigns, jointly and severally, and in their individual and business capacities, shall be held harmless and forever discharged from any and all damages, fees, costs, losses or other equitable, legal, statutory or common law relief for any causes of action, claims, obligations, contracts, torts, costs, penalties, fines, liabilities, attorney's fees, demands or suits of whatever kind or character, known or unknown, fixed or contingent, liquidated or unliquidated, whether asserted or unasserted, arising out of or related to the failure or refusal to provide the Information, or any other information required by Governmental authorities, or to provide it in a timely manner.

Bidders should become familiar with Governmental requirements related to shipments to Colombia by consulting, among other authoritative sources (a) the FSIS web site, (b) the INVIMA web site to verify the listing of the U.S. exporting establishment, (c) the Colombian Agricultural Institute, ICA, web site, and (d) the USDA/FAS, "GAIN Report, Global Agricultural Information Network, Colombia," dated November 8, 2012 which provides information to U.S. exporters on how to prevent port of entry difficulties when shipping meat and poultry products to Colombia.

PLEASE ADDRESS ANY QUESTIONS TO THE COLOM-PEQ ADMINISTRATOR BY PHONE AT 202-684-2512, BY FAX AT 202-684-2233, OR BY E-MAIL TO ADMINISTRATOR@COLOM-PEQ.ORG.