

# COL-RICE Colombia Rice Export Quota, Inc.

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## BID INSTRUCTIONS

COL-RICE, through its independent Administrator and pursuant to regulations of the Republic of Colombia (Decree No. 0728, April 13, 2012), is managing the allocation of rights to ship U.S.-origin rice duty-free to Colombia under a tariff-rate quota (TRQ) granted by the Republic of Colombia to the United States under the U.S.-Colombia Trade Promotion Agreement. This tender is for the **January 2024 TRQ Tranche**, for the **February 1 - June 30, 2024 shipping period**, in which TRQ Certificates for the following quantity are being offered on open tender to the highest bidder(s):

	HTS Number	Total Volume for All HTS Nos. (Metric Tons, Milled Rice Equivalent)	Colombian Duty
Rice in Husk (Hull), Except for Seed	1006.1090 )		
Husked (Brown) Rice	1006.2000 )		
Rice Semi-Milled or Milled, Whether	)	<b>93,819</b>	Zero
Polished or Glazed	1006.3000 )		
Broken Rice	1006.4000 )		

### I. ELIGIBILITY

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

### II. BID PROCESS

All information requested by the Bid Form must be completed for the bid to be valid.

**Bids must be submitted by e-mail at [col-rice@trqservices.com](mailto:col-rice@trqservices.com).**

A responsible and duly authorized official of the bidder must sign page 3 of the Bid Form.

The bid quantity should be submitted in metric tons, milled rice equivalent. Milled rice equivalents are: rice in husk (hull) = 0.71 MT, husked (brown) rice = 0.89 MT, broken rice = 1.

The minimum bid price is \$30 per metric ton.

The bid price 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 COL-RICE Administrator will treat all bids as confidential. However, following the close of the auction, COL-RICE will publish on its website [www.col-rice.org](http://www.col-rice.org) the following information: (a) the total tonnage for which TRQ certificates were awarded, (b) the average price 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 BETWEEN 9:00 A.M. and 5:00 P.M. Eastern Standard Time (EST), Thursday, January 25, 2024.** Any bids received before or after this date and these times will not be considered. The COL-RICE Administrator encourages early submission of bids during the bid submission period to ensure timely receipt.

### III. REQUIREMENTS FOR THE PERMORMANCE SECURITY

Prior to or with its bid(s) each bidder must provide a performance security in the amount of \$50,000 USD or the total value of the bid(s), whichever is less. 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 Rice Export Quota, Inc." **received by the COL-RICE Administrator on or before 5:00 p.m. EST on January 25, 2024.**
2. Wire transfer of funds to COL-RICE. 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 January 25, 2024.** Wire transfer instructions will be provided to all potential bidders via e-mail prior to the auction date and are available upon request of the COL-RICE 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 COL-RICE issued by an FDIC-insured U.S. bank. The original Letter of Credit **must be received by the COL-RICE Administrator on or before 5:00 p.m. EST on January 25, 2024.**

**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

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Form. In view of the short deadlines involved, the COL-RICE 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, January 29, 2024** 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 COL-RICE Administrator via e-mail 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 of the available quota amount for the auction has been allocated.

## V. CERTIFICATES

TRQ Certificates designating the quantity of rice 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 via fax or e-mail 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.

TRQ certificates issued in this Open Tender Process will remain valid until June 30, 2024. **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

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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). COL-RICE 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 COL-RICE nor the COL-RICE 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 COL-RICE Administrator who shall publish such intention on the COL-RICE 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 COL-RICE Administrator in writing within three (3) business days of agreeing to transfer its rights, and include in the notification:
  1. The legal name, address, telephone number and e-mail information of the party to whom it is transferring rights;
  2. 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 COL-RICE 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 COL-RICE 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 COL-RICE 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 COL-RICE 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 above since these provisions also shall expressly apply to them and their importers.**

## VII. DISCLAIMER

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Submission of a bid constitutes acceptance of all bid instructions and conditions. Certificates may be used to import U.S. rice into Colombia under the TRQ provided that the importer also complies with all applicable Colombian import requirements. All bidders are advised that COL-RICE, its Members, Board of Directors and Administrator, attorneys, successors and assigns, jointly and severally, and in their individual and business capacities, will not be responsible or deemed liable and shall be held harmless for: i) failure by TRQ certificate owners and/or importers to comply with Colombian import requirements or clear Colombian Customs by the date determined in the certificate; ii) any other event which would prevent TRQ certificate holders from importing rice into Colombia under the corresponding TRQ, including but not limited to Force Majeure. COL-RICE will not reimburse any amounts paid for TRQ certificates.

Any dispute or controversy arising out of or relating to the bidding process or the award of the TRQ Certificates shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and in arbitration proceedings conducted in Washington, D.C., under the law of the District of Columbia and judgment on the award rendered by the single arbitrator hearing the dispute may be entered in any court having jurisdiction thereof.

PLEASE ADDRESS ANY QUESTIONS TO THE COL-RICE ADMINISTRATOR BY PHONE AT 202-987-2975  
OR BY E-MAIL TO COL-RICE@TRQSERVICES.COM.