

21st December 2020

Invitation to Tender – Consultancy – Feasibility and Design of Technical Assistance and Financing Model for Sustainable Cattle Ranching in Colombia

Questions and Answers

1. **We are currently reviewing the ToR shared in the webpage, but have been unable to find the standard contract and due diligence documents mentioned in Part 6 and 7 of the ToR. For this reason, I would like to kindly ask if you could provide us with this documents in order to assess them and properly prepare our tender for this opportunity.**

We have recently changed our due diligence procedures and no longer use this document referred to in Part 6. Our due diligence process will take place once winner of bid is selected using our Touchtone system.

With regards to Part 7, the template will be shared once the winner is selected or can be emailed upon request (Allison Voss, allison.voss@partnershipsforforest.com).

2. **Reviewing the ToR, I understand that the invitation is made by Palladium P4F Colombia and Bancolombia at the same time. Does it mean we are looking for a subcontractor? Is it for Palladium Colombia S.A.S to send an offer?**

Who ends up hiring is Palladium, Bancolombia is just a partner of the project. It is Technical Assistance paid by Palladium where a third party (a firm) is hired under the ToRs. Palladium UK is the hiring entity.

3. **OBSERVATION OF NUMERAL 5 MINIMUM ESSENTIAL SPECIFICATIONS REQUIRED BY THE PRINCIPAL CONSULTANT: The specifications request the areas in which the consultant must have experience, for which we respectfully request to include topics such as those mentioned below, with the aim of ensuring the plurality of Bidders:**
 - **Technical, administrative and financial actions for the implementation of good agricultural and / or livestock practices and technological updating of production processes**
 - **Improvement of the competitiveness of agricultural and livestock entrepreneurs with the implementation and certification standards related to good agricultural and / or livestock practices**
 - **Cost-benefit analysis of adaptation measures for productive sectors**

Additionally, it is requested to consider compliance with the experience with the presentation of certifications of at least two or three topics, taking into account that generally the bidders do not carry out all the topics.

These topics have been included as desirable experiences of bidders, but not essential to apply.

4. **If two organizations are going to work together on the project, is it necessary to create a legal entity together in Colombia, like a “Temporary Union” or a “Consortium”, or can one organization be the main applicant and sign a subcontract agreement with the other?**

No need to create a new company.

The proposal should specify who will be the Lead Organization and who will be the Sub-Subcontractor and their scopes. Palladium UK will sign one Subcontract Agreement with the Lead organization. The Lead will Sub-Subcontract the second one, doing the due diligence (DD) and passing down the flow down of the UK's Department for Business, Energy and Industrial Strategy (BEIS) requirements. Palladium UK will pay directly to the Lead and Lead will repay the part that corresponds to the Sub-Sub.

5. **Is it possible for the U.K. Embassy in Colombia to request and to share relevant information from the “Programa Ganadería Colombiana Sostenible”, about the productivity results of different on-farm investments in the regions where this project will take place?**

Useful public information on this program can be found here:

<http://pubdocs.worldbank.org/en/711041575495351379/PPT-Caso-de-Negocio-Proyecto-de-Ganader%C3%ADa-Colombiana-Sostenible-Estudio-sobre-la-Implementaci%C3%B3n-y-Expansi%C3%B3n-de-Sistemas-Silvopastoriles-para-los-Ganaderos-Colombianos>

6. **Which regions will need to be analyzed in this project?**

Bancolombia has cattle ranching clients throughout all regions of Colombia. The main focus will likely be the Andean, Caribbean, Llanos Orientales and Amazon regions.

7. **Which are the types of on-farm productive systems that have to be evaluated? Dairy, double purpose, beef production, others?**

All types of production systems should be evaluated, including dairy, beef, double purpose, genetics, and other silvopastoral systems.

8. **We saw over the internet that Bancolombia's sustainable cattle ranching line will have a maximum benefit of 200 basic points reduction over normal interest rates. Will this be the maximum possible for the financial modelling, or is there a possibility of increasing the benefit? Our experience with the design and implementation of the ITPS (Instrumento a la Transformación Productiva Sostenible, with FINAGRO and the Amazon Vision Program) is that if the objective is to include small cattle ranchers (independents in the case of Bancolombia), that benefit could not be enough to make the model viable in certain regions.**

This would be an important aspect to evaluate during the consultancy to understand if a 200 bps reduction is sufficient for small cattle rancher to improve their production systems. It is unlikely that the benefit can increase. Today, Bancolombia's sustainable cattle ranching credit line provides the lowest rates that the bank can offer to any client due to the benefit being deducted from the base rates of its agricultural credit lines (Agrofácil). However, Bancolombia expects that a better risk analysis might help improve the client's credit score, effectively reducing said base rates for clients of all sizes, to which the benefit of the sustainable line will then be applied. Other aspects different from rates should also be considered to improve the possibility of access to credit by producers.

9. **Is it possible to obtain a more detailed description of Bancolombia's sustainable cattle ranching line, i.e., grace period, amortization, how many years to pay the credit, insurance, etc.**

Bancolombia's sustainable cattle line has the following aspects:

- Up to 2 years grace period.
- Amortization: Monthly, Quarterly, Every 6 months, Annually.
- Term: Up to 84 months.

10. **UPRA subdivides the areas suitable for cattle ranching in high suitability, medium suitability and low suitability. The analysis should include those three or only the areas with high suitability?**

The analysis will include areas of high and medium suitability.

11. **Has Bancolombia already identified the potential clients for the new credit line? What information does Bancolombia have about them?**
Bancolombia launched the credit line for cattle ranchers in September and has reach out to around 20,000 current clients. Bancolombia cannot disclose information about current clients at this stage.
12. **Would it be possible to have a more detailed description about how Bancolombia classifies each type of client: independents, SMEs, medium-large producers and corporate clients?**
Bancolombia classifies clients based on hectares (FEDEGAN classification) and by asset size (Finagro classification).
13. **Could you explain more in detail how you are imagining the pilots? The idea is to achieve the 400 expected beneficiaries in different regions? or how big should each pilot be?**
400 expected beneficiaries is our initial estimate of the total beneficiaries across the 1-4 selected regions where Bancolombia would conduct the pilots. The size of the pilots will depend on the potential demand for the TA, depth and cost of TA, and potential for co-financing TA cost by clients.
14. **Does Bancolombia already have an information system for monitoring this new line of credit? If so, what variables are being monitored at the moment?**
Bancolombia does not have a monitoring system in place. When credits are allocated, Bancolombia collects base line information about the production systems and store it - e.g. total land affected, available and proposed infrastructure, tree coverage. In addition, a fraction of clients (at least 10%) will be subject to investment controls, in which they are required to provide supports that the resources were invested in the proposed activities.
15. **Should the proposal also take into account the costs of integrating the new credit line monitoring system and its sustainability attributes into the financial model?**
This would be desirable.
16. **Would Bancolombia be interested in including into the proposal a requirement gathering for the design of a software application to support the implementation of the new credit line, which could be integrated with Bancolombia's monitoring system (i.e. a farm planning component, a technical assistance component, a monitoring component and a financial modelling)?**
Not at this stage, but could be incorporated as a recommendation of the consultancy if its determined as a key aspect missing from the financing and TA model developed.
17. **Could you explain better how Bancolombia defines the initial credit conditions for each potential client (the baseline for the credit), before applying the benefits of this new line?**
Any client is evaluated by the bank and a credit score is defined, which in turn determines the minimum rate and other credit aspects available to them. The benefit is applied to (deducted from) that base rate.
18. **Could you clarify who will be the contracting entity for this agreement? would it be an entity in Colombia or would it be an entity in the U.K.?**
Palladium UK is the contracting entity which is based in England and Whales.
19. **The invitation to tender indicates that the financial limit for the procurements is GBP 60,000 (page 14). But Part 5 indicates that "the Financial Limit of this Tender is £110,000 and that the Tender Price plus (+) the Total Reimbursable Expenses cannot exceed the Financial Limit. Do we understand correctly that the total amount of personnel should not exceed GBP 60,000 but that the personnel + reimbursable expenses cannot exceed GBP 110,000?**
This was an error in the ToR. The financial limit of this tender is £60,000 and cannot exceed this amount.
20. **Can overhead be included in the financial component and if so, is there a limit?**
The Proposal must contain the breakdown of the costs below for both organizations:
 - Fee (including their profit, overhead and taxes, if any). Ideally at daily rates.

- Travel expenses (original proof of travel expenses must be submitted in the FR). Taxes must be included in the travel lines.
- Segregate air travel, hotel, meals, taxi, etc.
- Other taxes (if there is any tax separate from the lines above).

21. Would the company presenting for the development of the consultancy be declared disqualified to provide technical assistance for the future of the project?

No

22. It is important to understand if you can have a down payment as there are previous costs from the service provider (us).

Payments will be made in arrears based on the deliverable schedule.

ITT page 18 states:

9. Tenderer Costs

9.1 Tenderers are responsible at their own cost for:

- 9.1.1 making all arrangements and obtaining and considering all information relating to the TOR;
- 9.1.2 the preparation, delivery and lodgement of their tender;
- 9.1.3 dealing with any issues, including disputes, that may arise out of the tendering process.

23. Which specific cities or sites in UPRA regions will be of interest to the scope of the project

Bancolombia has cattle ranching clients throughout all regions of the country. The main focus will likely be the Andean, Caribbean, Llanos Orientales and Amazon regions.

24. What is Bancolombia's list of acceptable investments? (it is essential to understand what they are to be able to adjust the proposal and understand the professionals necessary for each scenario.

The accepted investments through the Sustainable Cattle Ranching Line are:

- Tree/Silvopasture systems
- Live fences
- Fencing for paddock division (increasing the number of paddocks and rationalized/optimized grazing)
- Forage banks
- Silage
- Fresh water supply infrastructure and systems
- Pasture renovation (only in conjunction with others of the previous activities)

25. What bank customer information do we have available to pilot?

The consultant will have access to all relevant and non-confidential information after signing the contract (e.g. clients names and locations, areas, production systems, among others).

26. At what level do you need opening in budget costs to be raised (E.g., Consultant time only or also cost of stationery, inputs, etc.)?

The Proposal must contain the breakdown of the costs below for both organizations:

- Fee (including their profit, overhead and taxes, if any). Ideally at daily rates.
- Travel expenses (original proof of travel expenses must be submitted in the FR). Taxes must be included in the travel lines.
- Segregate air travel, hotel, meals, taxi, etc.

Other taxes (if there is any tax separate from the lines above).

27. Is the payment in Colombia or outside Colombia? If it is outside Colombia, in which country would it be cancelled?

Hiring and payment will be made by Palladium, which is based in England and Wales.

28. In order to structure a competitive proposal that meets the expected objectives for you, and in view of its importance, we politely request that you study the feasibility of extending the established period in a period not less than seven (7) 2 business days counted from the closing date which is currently arranged for next January 16, 2021, a period that will also allow us to know the answers to the observations such as the possible addendums that may be issued by the entity, which will conform together with the other conditions of the application, the guidelines under which we will structure the final proposal to be presented.

Deadline for submission has been extended by a week. Tenders must be submitted by Friday, January 22, 2021 at 5pm COL time.

Tender for:	Feasibility and Design of Technical Assistance and Financing Model for Sustainable Cattle Ranching in Colombia	
Project:	Partnerships for Forests	
Activity Number	Tender 01	
The Company:	Palladium International Limited	
Closing Date and Time:	22nd January 2021 – 5pm COL	
Contact Person:	Allison Voss, Palladium, Partnerships for Forests - Colombia Juan Sebastian Estrada Carmona, Bancolombia	
Timetable:	ITT made available:	1/12/2020
	Deadline for receipt of Clarifications:	16/12/2020
	Deadline for receipt of Tenders:	22/01/2021
	Evaluation of Tenders:	25/01/2021
	Notification of Award:	29/01/2021
	Confirm Contract Award and Contract Start Date:	08/02/2021
Tender Validity Period:	30 Days after the Closing Date	
Details for submission:	Tenders should be submitted by email to Allison Voss at allison.voss@partnershipsforforests.com AND Juan Sebastian Estrada Carmona at juestrad@bancolombia.com.co before closing date and time.	
Jurisdiction	Colombia	

29. With regards to numeral 5.7 and 5.8 of the terms and conditions, namely:

- 5.7. These clauses 5.7 and 5.8 apply where the 'Damages Calculation' field on the Cover Sheet has been ticked 'Applicable' and a percentage has been nominated. Where the Subcontractor fails to meet any deadline or Milestone for any aspect of the Services, whether due to the rejection of or request for amendment to any part of the Services or Project Material by the Company or the Client, or for any other reason (save where the Company determines that a Force Majeure Event has occurred), the Subcontractor will be liable to pay damages to the Company as compensation for the delay.
- 5.8. Where the Company requires the Subcontractor to pay damages, the amount will be a daily rate calculated on the basis of the percentage set out in the Damages Calculation field of the Cover Sheet to this Agreement, applied to that part of the Total Agreement Sum that relates to the Services in question. The damages will be payable beginning after the day the services were due up until the Services in question are performed in full in accordance with the terms of this Agreement and such damages are in addition to the rights of the Company to require the Subcontractor to complete, correct or amend the Services in question.

Request: requests that the entity inform us of the percentage under which damages will be calculated for the delay in compliance with the obligations associated with this contract.

Palladium UK only ever inserts a damage clause if there is a specific risk with the partner not delivering, which in the case of this project may not be relevant. If the clause is deemed irrelevant, it could be removed from the contract.

30. **With regards to clause 12 material of the project, namely:**

12.8. ensure that the system on which the Subcontractor holds any Project Material, including back-up data, is a secure system that complies with the requirements of the Head Contract and any other similar rules or procedures of the Company confirmed in writing to the Subcontractor;

Numeral 12.8 We request to clarify what are the requirements of the HEAD CONTRACT and what systems are required to comply with this numeral.

This clause comes from the subcontract agreement. During the DD that will be held on the winner, one of the questions talks about IT security systems, which is where we check if the subcontractor has the IT requirements, like encrypted email, secure cloud with firewall, and other security systems. Head Contract is the contract between BEIS and Palladium and from where all the flow down of requirements comes from, the grantees and subcontractors and all downstream associates need to follow.

31.

In accordance with the foregoing, requests to eliminate the numeral or modify the wording, expressly indicating that only the information that has been delivered will be returned at the end of the contract, without implying the delivery of the working papers.

Numeral 12.11 de los términos y condiciones, a saber:

12.11. at the expiration or termination of this Agreement, deliver to the Company or as directed by the Company, all Project Material and other property or assets of the Company and the Client, which are in the Subcontractor's possession or under its control.

The numeral will not be changed. It is a standard language of BEIS. The Subcontractor will keep all original documents and accounting books. There will be no assets in this project, so this does not apply and the clause has no effect.

The information also does not need to be deleted by the Subcontractor, he must follow what the law specifies and keep everything as long as he needs.

For the purposes of our project, the documentation related to the project must be kept for 7 years and is subject to the BEIS editors in this period.

32. **Numeral 12.2, namely: We ask us to clarify what Proprietary notices are**

Numeral 12.2, a saber:

12.2. not delete or remove any proprietary notices contained within or relating to Project Material;

Any material that has an intellectual property or copyright symbol cannot be excluded.

33. **Numeral 12.5 We request to clarify what ICT Environment is**

Numeral 12.5

12.5. use the latest versions of anti-virus definitions available from an industry accepted anti-virus software vendor to check for and delete malicious software from its ICT environment;

ICT refers to "information and communication technology." ICT environment here refers to the Subcontractor's communication technologies, including anti-virus software.

34. **Numeral 12.6 We request that you indicate what type of malicious software the clause deals with.**

Numeral 12.6

12.6. notwithstanding the above, if malicious software is found, cooperate with the Company to reduce the effect of the malicious software and, particularly if malicious software causes loss of operational efficiency or loss or corruption of Project Material, assist to mitigate any losses and to restore the Services to their desired operating efficiency. Any costs arising out of the actions of the Parties taken in compliance with the provisions of this clause will be borne by the Subcontractor except where the source of the malicious software is shown to be the Company.

Any type of virus, trojan horse, malware in general.

35. Against clause 13 of the terms and conditions, numeral 13.7. intellectual property, namely:

13.7. The Subcontractor shall, during and after the Term, on written demand, indemnify the Company and the Client against all losses incurred by, awarded against, or agreed to be paid by the Company or Client (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.

Request: requests the entity to limit this clause, adding the following wording: "In any case, the damage will be limited to the value of the contract and will apply only after verification of the parties in which is evidence that the contractor incurred such conduct."

This is BEIS standard language that cannot be amended.

36. In relation to clause 14. Contracting and goods of the terms and conditions, numeral 14.5, namely:

14.5. Provided any loss or damage is not due to the Subcontractors' negligence or wilful neglect, the Company or the Client shall bear the risk in respect of loss or damage, subject to the Subcontractor obtaining and paying to the Company or the Client such proper compensation as may be due from any third party in respect of such loss or damage to the Goods.

Request: asks the entity to clarify what will be the proper compensation, the entity will estimate it according to the value of the good that be damaged or lost.

Assets and goods should not need to be acquired by the Sub-Contractor so this clause would be ineffective. If there is a purchase of these items under the budget of the contract, the compensation is equivalent to the value of the asset.

37. Regarding clause 16 Confidentiality of the terms and conditions, numeral 16.6, namely:

16.6. The Parties agree that this obligation applies during the Term and after termination of the Agreement.

Request: requests the entity to limit the duty of confidentiality to 5 years from the termination of this contract.

Palladium UK cannot limit confidentiality.

38. Regarding clause 16 Confidentiality of the terms and conditions, numeral 16.9, namely:

16.9. The Subcontractor shall, and shall ensure that the Subcontractor Personnel shall, comply with any relevant obligations arising under the Official Secrets Acts 1911 to 1989. The Subcontractor, if requested by the Company, shall procure that any relevant Subcontractor Personnel involved in providing the Services shall sign a statement that he or she understands that the Official Secrets Acts 1911 to 1989 shall apply to him or her both during the Term of and after the expiry or termination of this Agreement.

Request: Taking into account that the provision of the service will be carried out in Colombia, the law mentioned in this clause does not apply, in Colombia we are governed data protection law 1581 of 2012, for this reason we request to delete this numeral.

Palladium UK is the hiring entity, and this is BEIS standard language that cannot be amended.

39. Regarding clause 19 Indemnity of the terms and conditions, namely:

19. INDEMNITY
- 19.1. The Subcontractor will indemnify and keep indemnified, hold harmless and defend the Company, and the officers, employees, and agents of the Company, from and against any loss, damages, expenses or costs, including costs of any settlement, arising from any Claim or any Loss suffered or incurred, including personal injury, death, legal costs and expenses, and the cost of time and resources arising from or as a consequence of:
- 19.1.1. a breach of the terms of this Agreement;
 - 19.1.2. any third party claims relating to this Agreement except where such claims are made due to a negligent act or omission of the Company;
 - 19.1.3. any negligence by the Subcontractor or its Personnel in connection with the Services and/or this Agreement;
 - 19.1.4. a breach of warranty or representation, statutory duty, and/or tortious or illegal acts or omissions by the Subcontractor or its Personnel;
 - 19.1.5. a claim made against the Company by any Subcontractor's Personnel in respect of any breach of the terms of this Agreement or any Legislative Requirements concerning remuneration, income tax, worker's compensation, annual leave, long service leave, pension or superannuation or any award, determination or agreement of a competent industrial tribunal; and/or
 - 19.1.6. any penalty imposed for breach of any Legislative Requirement in connection with the provision of the Services by the Subcontractor.
- 19.2. The Subcontractor has responsibility for and indemnifies the Company in respect of any tax, employee pension, and/or social security payments or similar payments whether payable in the Recipient Country or elsewhere relating to its Personnel together with any interest or penalties, costs or expenses incurred or arising out of or in connection with any such payments.
- 19.3. Notwithstanding any other provision of this Agreement to the contrary, neither party shall be liable to the other for any special, indirect, punitive, consequential loss or damage of any kind whatsoever including, but not limited to, loss of profits.

Request: requests the entity to include the following wording: "In any case, the payment of damages will be limited to the value of this contract and will only apply after verification of the parties in which it is evidenced that the contractor engaged in such conduct, except to the extent that the damages are the result of the fault or gross negligence or intent of Subcontractor, as determined by an enforceable ruling of a competent judge, tribunal or court, or an arbitration award."

Palladium UK is the hiring entity, and this is BEIS standard language that cannot be amended.

40. Faced with clause 22 of the Terms and Conditions, numeral 22.1, namely:

- 22.2. Upon occurrence of an event considered by the Subcontractor to constitute a Force Majeure Event, it will immediately notify the Company in writing and recommend options to overcome the effects of the event. Upon receipt of the notice, the Company will make a determination, acting reasonably, as to whether the event or circumstance constitutes a Force Majeure Event and will promptly notify the Subcontractor of its determination in writing. Despite any determination by the Company, the Subcontractor will endeavour to overcome the Force Majeure Event and continue to perform its obligations under this Agreement as far as reasonably practicable, subject to the other terms of this clause.

Request: requests the entity to clarify the meaning of this numeral, our understanding is that force majeure will only apply, in cases where those determined by the entity.

It is a classic concept of law developed in Roman law and present in the current legal codifications. It is an event related to external facts, independent of human will, which prevent the fulfillment of obligations. These external facts can be: order of authorities (a decree that requires quarantine for example), natural phenomena (lightning, earthquakes, floods, etc.) and political events (wars, revolutions, etc.), including COVID.

41. Regarding clause 26 Freedom of information of the terms and conditions, namely:

26. FREEDOM OF INFORMATION
- 26.1. The Subcontractor acknowledges that the Client may be subject to the requirements of the Freedom of Information Act 2000 ("FOIA"), the Environmental Information Regulations and associated codes of practice and shall assist and cooperate with the Company and the Client to enable each of them to comply with their information disclosure obligations.
- 26.2. The Subcontractor shall and shall ensure that its sub-sub-contractors shall:
- 26.2.1. transfer to the Company all Requests for Information that it receives as soon as practicable and in any event within two (2) Working Days of receiving a Request for Information;
 - 26.2.2. provide the Company with a copy of all information in its possession or power in the form that the Company or the Client requires within five (5) Working Days (or such other period as the Company or Client may specify) of the Company's request; and
 - 26.2.3. provide all necessary assistance as reasonably requested by the Company or the Client to enable the Company or the Client to respond to the Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations.

- 26.3. The Client shall be responsible for determining in its absolute discretion and notwithstanding any other provision in this Agreement or any other agreement whether the Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the provisions of the FOIA, the Environmental Information Regulations and associated codes of practice and the parties are obliged to accept such determination by the Client.
- 26.4. In no event shall the Subcontractor respond directly to a Request for Information unless expressly authorised to do so by the Company.
- 26.5. The Subcontractor acknowledges to the Company that the Client may, acting in accordance with any code of practice issued pursuant to Section 45 of FOIA ("the FOIA Code"), be obliged under the FOIA, or the Environmental Information Regulations to disclose information concerning the Subcontractor or the Services:
 - 26.5.1. in certain circumstances without consulting the Subcontractor;
 - 26.5.2. following consultation with the Subcontractor and having taken their views into account;
 provided always that, where Clause 26.5.1 applies, the Company will use reasonable endeavours to ensure that the Client, in accordance with any recommendations of the FOIA Code, takes reasonable steps, where appropriate, to give the Subcontractor advanced notice, or failing that, to draw the disclosure to the Subcontractor's attention after any such disclosure.
- 26.6. The Subcontractor shall ensure that all information is retained for disclosure in accordance with this sub-clause and the following sub-clause and shall permit the Company and the Client to inspect such Records as requested by the Client from time to time;
- 26.7. The Subcontractor shall, during the Term of this Agreement and for a period of at least seven years following the expiry or termination of this Agreement, retain and maintain all information and Records:
 - 26.7.1. in accordance with Good Industry Practice and Legislative Requirements;
 - 26.7.2. in chronological order;
 - 26.7.3. in a form that is capable of audit;
 - 26.7.4. at its own expense.
- 26.8. Wherever practical, original information shall be retained and maintained in hard copy form.

Request: Taking into account that the service will be executed in Colombia and the contractual relationship must be governed under Colombian law, we request that this clause be deleted.

Palladium UK is the hiring entity, and this is BEIS standard language that cannot be amended.

42. Compared to Annex B, part 2, paragraph 2.3, namely:

- 2.3. The amount of any VAT (or Sales Tax or similar) payable by the Company under this Agreement will be shown as a separate item on the invoice, together with the method of calculation. The Subcontractor shall indemnify the Company on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Company at any time (whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Subcontractor's failure to account for or to pay any VAT (or Sales Tax or similar) relating to payments made to the Subcontractor under this Agreement. Any amounts due shall be paid in cleared funds by the Subcontractor to the

Company not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Company.

Request: requests to limit this clause, adding the following wording: "After verification of the parties in which it is evidenced that the contractor incurred in such conduct , in any case the value of the damages will be limited to the value of the contract ".

Palladium UK is the hiring entity, and this is BEIS standard language that cannot be amended.

43. Faced with numeral 17 Jurisdiction of the terms of reference, namely:

17. Jurisdiction

- 17.1. This Agreement shall be subject to the laws of the Jurisdiction.
- 17.2. The Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this Agreement or the breach, termination, or invalidity thereof.
- 17.3. If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. The appointing authority shall be the Secretary-General of the Permanent Court of Arbitration. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.
- 17.4. The place of arbitration shall be the headquarters location of Company at the time the claim is filed and the language of the arbitration will be English. The relevant laws shall be the laws of the Jurisdiction.
- 17.5. Should the claim involve a State, a State-controlled entity, or an intergovernmental organization, the case shall be administered by the International Bureau of the Permanent Court of Arbitration.

Request: requests the entity that the applicable law that governs the contractual relationship is the Law of the Republic of Colombia, the country in which the contract that is signed.

Governing law of contract will be England and Whales. Palladium UK is the hiring entity, and this is BEIS standard language that cannot be amended.

44. **We request that you indicate whether the entity will negotiate the clauses of the contract and the terms and conditions, in order to sign the documents mutually agreed by the parties.**

Clauses of the contract and terms and conditions must follow BEIS requirements and are difficult to adjust.

45. **We request that you indicate to us once the process has been awarded, in which term the selected contractor must sign the contract and accept the terms and conditions.**

Timeframe is one month, but can be sooner depending on due diligence process and contract Per first page of ToRs:

ITT made available:	1/12/2020
Deadline for receipt of Clarifications:	16/12/2020
Deadline for receipt of Tenders:	22/01/2021
Evaluation of Tenders:	25/01/2021
Notification of Award:	29/01/2021
Confirm Contract Award and Contract Start Date:	26/02/2021

46. **In number 3. Scope of the assignment, when referring to “investment criteria under Sustainable Credit Line for cattle ranching”, we appreciate specifying whether the investment criteria correspond to the criteria under which Bancolombia would grant the credit line, such as criteria financial, or correspond to the activities and investments to which the credit line may be destined, such as technical assistance issues and type of assistance to be implemented by farmers.**

They would be both, with main emphasis on the criteria under which the credits are approved (financial criterion under which Bancolombia would grant the credit line), but there is also flexibility to adapt the investment activities (items) applicable under the credit line.

47. **In number 3. Scope of the assignment, when referring to “Recommend the optimal amount of TA and financing needed for clients to make transition to more sustainable production systems, including over what time period should TA be provided”, we appreciate specifying whether the business model focuses only on the transition to sustainable production models or the business model includes the expansion of livestock and its sustainable growth in the credit line.**

This is something Bancolombia is currently evaluating internally and will be part of the analysis of the project.

48. **In numeral 3. Scope of the assignment Phase 2 when referring to “At the end of Phase 2, consultant must deliver at least one proposed institutional arrangement among Bancolombia and TA provider.” We appreciate clarifying whether it corresponds to the development of a legal document that will govern the relationship between Bancolombia and the technical assistance providers (the memorandum of understanding) or only to the technical and financial characteristics that will govern said relationship.**

This corresponds to the delivery of a memorandum of understanding that would govern the relationship between Bancolombia and TA provider.

49. **In numeral 3.6, we appreciate confirming our understanding that CVs do not count within the limit of 12 pages of the technical proposal.**

CVs do not count within the limit of the 12-page technical report.

50. **Number 4. Insurance Cover specifies “Preferred Tenderers contracted by the Company as a registered entity shall be required to evidence Professional Indemnity and Professional Liability insurance, and provide their consultants with the appropriate level of cover regarding work-related travel” We appreciate confirming our understanding that such assurance will be requested only for those firms or individuals called to negotiate and is not required for the presentation of the proposal.**

These assurances will only be requests for those firms or individuals who are selected as the winner of the bid.

51. **In addition to the 12 pages of the technical proposal, can some annexes of the firm's capabilities and experiences in general be included?**

A summary of firm’s capabilities and experiences should be included in the 12 page limit and should not be added as annexes. Please refer to Part 4 Technical Assessment and Selection Criteria 1.3 for more details on Form of Technical Submission.

52. **The proposal must be accompanied by a legal document that proves the existence of the company?**

No, but any company wishing to submit a proposal must be legally constituted. Legal documentation will be verified during due diligence process on the selected bidder.