

This document is only a courtesy translation into English of the document written in Spanish with Reference "Solicitud de Información a Proveedores – SIP, Monómeros – 001 de 2023". Therefore, in the event of any difference between the two versions, the Spanish version shall prevail.

Barranquilla, Atlántico, November 30, 2023.
Colombia

Aimed at:

INTERESTED SUPPLIERS

The city.

REFERENCE: Updated Version - Request for Information to Suppliers – RFI, Monómeros – 001 of 2023.

SUBJECT: Market study - Invitation to quote, in order to obtain information for the acquisition of secondary nitrous oxide (N₂O) abatement technology.

SECTION A. OBJECTIVE OF MARKET RESEARCH.

I. INTRODUCTION.

In the context of the Nitric Acid Climate Action Group ("NACAG") initiative, the company Monómeros Colombo Venezolanos S.A. (hereinafter "Monómeros") is conducting a **market study and analysis** to determine the conditions for the eventual contracting of the supply of SECONDARY Nitrous Oxide (N₂O) abatement technology for its nitric acid production plant located in the Special, Industrial and Port District of Barranquilla, Department of Atlántico - Colombia.

In this context, this market study is part of the previous procedure established in the selection process indicated by the Colombian public procurement regulations; therefore, the submission of your quotation and response to this request does not represent that your company has been selected for the supply of the equipment and services listed in Annex 1A. "*Technical Specification - Requirements for Goods and Services*".

This document is a summary of the relevant information so that interested suppliers of Nitrous Oxide (N₂O) secondary abatement technology can participate in the market study phase, the objective of which is to determine the cost of goods, equipment and services, their availability in the market and the possible supply of all the goods and services required by Monómeros.

Therefore, the interested companies are required to provide a **budget-type quotation** for the goods and services consulted, as well as an answer to the questions asked by Monómeros described in Annex 2. "*Quotation format and questions about the supply*".

After this market research, Monómeros will publish the bidding documents for the supply of secondary Nitrous Oxide (N₂O) abatement technology through an Open International Public Bidding that will be carried out according to the parameters and requirements defined by the Colombian Legislation.

II. DESCRIPTION OF THE NEED.

Monómeros Colombo Venezolanos S.A. is a petrochemical subsidiary of the Venezuelan state-owned company, Petroquímica de Venezuela (Pequiven), located near the mouth of the Magdalena River in Barranquilla, Colombia, producing a variety of products such as simple and complex fertilizers, tricalcium phosphate for cattle feed and other industrial products, such as nitric acid. In 2018 it received the award for "Best Company in Social Responsibility Simón Bolívar" Monómeros is the second largest agro industrial company in Colombia producing fertilizers covering 40% of the national market.

Monómeros has a nitric acid plant with a production capacity of 280 MTPD, which is an important product for the agrochemical industry, as it is used to produce nitrogen-based inorganic fertilizers. However, the nitric acid manufacturing process releases N₂O, which is a greenhouse gas with a global warming potential 273 times greater than that of carbon dioxide (CO₂).¹

Monómeros has a budget authorized by *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)* to finance the eventual Contract for which this market research is issued. This grant is part of the [NACAG](#) (Nitric Acid Climate Action Group) initiative, which is a project funded by the **German Federal Ministry for Economic Affairs and Climate Action (BMWK)** and for whose global implementation GIZ has been designated.

The NACAG initiative aims to phase out global N₂O emissions from nitric acid production and provides all governments and plant operators with assistance on technological and regulatory issues related to the mitigation of N₂O emissions produced in this industry. NACAG also offers financial support for the purchase and installation of emission

¹ <https://www.nitricacidaction.org/>

abatement technology and monitoring equipment at those plants that are eligible under certain criteria defined by the initiative. Thus, within the framework of the NACAG initiative, GIZ is providing financial support to the company Monómeros for the purchase of N₂O abatement technology.

In accordance with the aforementioned, the company Monómeros is interested in quoting for the supply of secondary nitrous oxide (N₂O) abatement technology for its nitric acid production plant located in the city of Barranquilla - Colombia, according to the details and specifications listed in Annex 1A.

SECTION B. CONTEXT OF THE REQUEST FOR INFORMATION TO SUPPLIERS - MARKET RESEARCH

I. DEFINITIONS.

- **Market Research:** Procedure that is part of the previous stage of the supplier selection process, required for the acquisition of a specific good and/or service; with the purpose of establishing and analyzing the technical, commercial, economic and legal specifications of what is required to be contracted, to best meet the needs of Monómeros, according to market trends and conditions and in accordance with the parameters and guidelines defined by the Colombian legislation in force.
- **Goods and Services:** Supply of secondary nitrous oxide abatement technology for Monómeros' nitric acid production plant in Barranquilla, Colombia. The technical specifications can be found in Annex 1A "*Technical Specification - Requirements for Goods and Services*".
- **E-mail address:** Corresponds to the e-mail address that Monómeros will use to receive the documents and forms corresponding to this market research and which corresponds to the one described as follows: licitacionabatimiento@monomeros.com.co
- **Web page:** It is the exclusive web page of Monómeros, in which this document and all the information that suppliers require to participate in the market research will be published and which corresponds to: <https://www.monomeros.com.co/market-research-of-the-supply-of-secondary-nitrous-oxide-n2o-abatement-technology//>
- **Plant:** Monómeros facilities located at Via 40 Las Flores, Barranquilla, Atlántico - Colombia.
- **RFI:** Request for Information to Suppliers.
- **Quotation:** It is a document where the price of a good or service is detailed for the purchase or negotiation process, this document must be sent to the company

Monómeros, indicating in detail, the elements that make up the good or service to be supplied. The same must indicate in a descriptive way, the unit prices before taxes and charges and the total unit price.

- **Bidding Documents:** This refers to all the documents (legal, technical and financial) that make up the selection process of the future contractor and whose procedure will be carried out in accordance with the parameters and recommendations regulated by Colombian legislation on public contracting.
- **Schedule:** Document in which Monómeros establishes the dates, times and deadlines for the activities of the Market Research Process and the place where they shall be carried out.
- **Contracting Process:** Set of acts and activities, and their sequence, carried out by the Entity from planning to the expiration of the applicable guarantees.

II. GENERAL CONDITIONS.

Monómeros, issues the present document of request for information to suppliers (RFI), within the International Public Bidding to be carried out for the acquisition of goods and services specified in Annex 1A called - "*Technical Specification - Requirements of Goods and Services*". Thus, and for all purposes of this document, a series of clarifications and general conditions of the RFI are made:

1. The term "*in writing*" means communicated in a written form (e.g., postal mail, e-mail, distributed or received through the electronic procurement system used by Monómeros, with proof of receipt;
2. Except where the context requires otherwise, words in the singular also include the plural and words in the plural also include the singular;
3. For purposes of this request for information, the term "*goods*" includes goods, raw materials, machinery, equipment; and "*related services*" includes services such as transportation, insurance, commissioning support and training of Monómeros personnel.
4. All interested companies must fill out and send to Monomeros Annex 2 - "*Quotation format and questions about the supply*", where the items to be quoted have to be detailed. All the fields must be filled in, including those related to the contact information of the quoting supplier, and sent to Monómeros by e-mail to licitacionabatimiento@monomeros.com.co. Suppliers may also use another format (different from Annex 2), as long as the required information is clearly provided.

5. The response to this market research may be in Spanish or English. In the event that a response is received from the same supplier in English and Spanish, the English language version of the response shall prevail and shall be the applicable version for the market analysis.
6. Interested suppliers must submit a quotation for the goods and services defined in Annex 1A and answer the questions and requirements listed in Annex 2 (attached to this request), in order to compare values and analyze market information.
7. It is clarified that this RFI does not constitute a commercial offer and is not binding with the company Monómeros, under the understanding that any agreement of wills generating rights and obligations, must be conceived in a contract according to the requirements and procedures demanded by the Colombian Legislation and according to the parameters established by Monómeros in the International Public Bidding.
8. The information provided by the interested parties may be used by Monómeros for the construction of the contractual terms and conditions or the structuring of this or other studies and analysis, therefore, suppliers and interested parties who participate in this market study by sending responses to it, declare that they know and the use that will be given to the information provided.
9. The interested supplier shall bear all costs related to the preparation and submission of responses to this market study. Monómeros shall in no event recognize such costs.
10. It should be clarified that once the documents and terms of the International Public Bidding are published, two or more natural or legal persons may jointly submit a proposal without the need to form a company, or a new company in the case of legal persons. For such purposes, the contract shall be executed with the bidder that submits its proposal and complies with the requirements set forth in the call for bids.

SECTION C. SCHEDULE FOR THE REQUEST FOR INFORMATION TO SUPPLIERS.

The stages of this market study will be carried out according to the following schedule:

N°	Milestone	Date
1	Publication of the Request for Information to Suppliers - Invitation to Quote on the Web Page.	October 25, 2023
2	Deadline to submit comments/questions to the Request for Information to Suppliers - Invitation to Quote.	November 8, 2023
3	Publication of "Minutes of Clarifications" with responses to the observations received to the Request for Information to Suppliers - Invitation to Quote on the Web Page.	November 16, 2023
4	Deadline for the submission of re-questions by interested suppliers regarding the clarifications and answers issued by Monómeros.	November 21, 2023
5	Publication of the minutes of the answers to the cross questions formulated.	November 27, 2023
6	Publication of the final terms of the market research and documents (Annexes) to submit a quotation	November 30, 2023
7	Deadline to submit Quotation and responses to Request for Information to Suppliers	December 18, 2023

Table 1. Schedule of the market study

For the different milestones, the time of reception will be taken as the time of sending the respective e-mail, in its equivalent to Colombian time, UTC-5.

The milestones of this market research will be conducted electronically, using the tools and resources outlined in this document. In the second round of questions only clarifications on the answers provided in the first round of clarifications may be requested.

This market research schedule is subject to changes by Monómeros, which will be notified through the Web Page <https://www.monmeros.com.co/market-research-of-the-supply-of-secondary-nitrous-oxide-n2o-abatement-technology/>. Such changes are intended to facilitate the market research process but will never limit the time for interested suppliers to submit their responses.

1. Minutes of clarifications.

Interested suppliers may submit doubts or questions regarding this market study by sending their questions to the e-mail address defined by Monómeros,

licitacionabatimiento@monomeros.com.co, during the clarification period defined in the schedule of this request for information (see milestone No. 2).

Monómeros will prepare a "*Minutes of Clarifications*" with all the questions received and the answers/clarifications given to each one of them. The content of the "*Minutes of Clarifications*" will form an integral part of the market research and must be considered by the interested suppliers in the preparation of their quotations.

After the publication of the "*Minutes of Clarifications*" (see milestone No. 3), the suppliers will have the time period shown in the schedule of this market study to formulate the questions they consider necessary in relation to the answers stated in the Minutes of Clarifications (see milestone No. 4).

Monómeros will publish in the Web Page, the minutes with the answers to the observations and/or questions formulated by the suppliers, in the established term for this or before if possible (see milestone No. 5).

2. Modification of market research.

The modifications to the market research may be carried out according to the result of the Clarifications stage and no later than the date indicated in the schedule (see milestone No. 6) and will be made known to the interested parties through publication on the Web Page.

SECTION D - CONDITIONS OF THE GOODS OR SERVICES TO BE QUOTED.

1. OBJECTIVE.

"Supply of secondary nitrous oxide (N₂O) abatement technology for the Monómeros nitric acid plant, located in the Special, Industrial and Port District of Barranquilla, Department of Atlántico - Colombia, in the context of the Nitric Acid Climate Action Group (NACAG) initiative."

2. SCOPE.

The goods and elements to be supplied are listed and specified in Annex 1A - "Technical Specification - Requirements for Goods and Services".

3. TYPE OF CONTRACT.

The contract to be signed will be called "Contract for the supply of secondary abatement technology", in any case and in order to meet the requirements of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the bidding and selection process will be conducted in accordance with the principles and guidelines established by Colombian legislation on public procurement.

4. SOURCE OF FINANCING.

Monómeros has a budget authorized by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to finance the contract for which this request for information is issued to suppliers. This is part of the Nitric Acid Climate Action Group (NACAG) initiative, which offers non-repayable grants for the installation of N₂O abatement and monitoring technology at nitric acid plants globally that meet certain eligibility criteria. The **German Federal Ministry for Economic Affairs and Climate Action (BMWK)** funds this initiative as part of its international sustainable development cooperation activities.

5. CURRENCIES OF SUPPLY AND PAYMENTS.

The interested supplier shall express the price of its offer in EUROS, according to the information required and related in Annex 2 "*Quotation format and questions about the supply*". Monómeros accepts the submission of the requested information in a different format from the one provided, as long as it is provided in a clear manner, and it solves the questions made in this market study.

6. COST ESTIMATION.

As a result of this market research, the specific obligations or commitments of the eventual contractor will be defined, which is why the general characteristics of each component are defined. For the estimation of the cost of the required goods and services related to this RFI, it will be necessary for the interested suppliers to take into account the following characteristics, which will only be required once the International Public Bidding is published.

- i. The quotation shall include the total cost of the Goods and Services described in Attachment 1A - "*Technical Specification - Requirements for Goods and Services*". The rates and prices in the quotation must cover all costs of labor, materials, equipment, including transportation and insurance to the Monomer Plant; overhead, profit and all costs associated with the performance of the work and Services, and must not include duties or other taxes on importation into the country.
- ii. The awarded supplier must indicate the amount of import taxes separately, in the event that such taxes are incurred.
- iii. The interested Suppliers, as well as all materials, equipment and services that are contained in the quotations and are intended to be used in the execution of the contract to be subscribed, must have a country of origin that is not included in any rules, regulations and/or current list of countries sanctioned and/or embargoed by the European Union or the United Nations.

- iv. **Place of Execution:** The place of execution of the contract for the supply of secondary abatement technology, shall be in the city of Barranquilla, Atlántico - Colombia. The goods to be supplied shall be delivered at the facilities of Monómeros at the address: Via 40 Las Flores, Barranquilla, Atlántico - Colombia.
- v. **Transportation:** The price of transportation, insurance and other services necessary to transport the goods from the place of origin to their final destination.
- vi. **Warranties.** In order to safeguard the suitability and quality of the equipment, elements and services mentioned in Annex 1A, the interested suppliers shall contemplate within their costs and once the respective contract is signed, the constitution of bank guarantees containing the following guarantees:

Guarantee	Percentage
<p>Good management and correct investment of the advance payment.</p>	<p>For one hundred percent (100%) of the sum of money established as advance payment. This guarantee is an indispensable requirement to receive the advance payment corresponding to the first payment milestone of the eventual contract. It will be cancelled when the specific conditions for the second milestone payment established in the contract between the supplier and Monómeros are met.</p>
<p>Compliance</p>	<p>For ten percent (10%) of the total value of the supply contract to be signed with the awarded supplier, valid for the total term of the contract and two (2) more months.</p> <p>The awarded supplier must present in favor of Monómeros Colombo Venezolanos S.A., a guarantee that will ensure the fulfilment of the obligations arising from the signing of the contract and that will cover the company from the direct damages derived from the total or partial non-fulfilment of the obligations, as well as from its late or defective fulfilment, when they are attributable to the future contractor.</p>

	<p>In addition to these risks, this cover shall always include the payment of the value of the fines and the penalty clause agreed in the contract.</p> <p>This guarantee is a prerequisite for starting the execution of the activities and obligations defined in the contract.</p>
<p>Bank guarantee for defects and hidden defects</p>	<p>For thirty percent (30%) of the total amount of the Contract, to cover any defects in the goods, hidden defects and any other liability incurred.</p> <p>This guarantee is an indispensable requirement to receive the last payment milestone of the eventual contract.</p> <p>The term of this guarantee shall be 1 year from the final reception to Monómeros' full satisfaction, formalized by means of the delivery-reception certificate of the goods and services by the Parties.</p>

Table 2. Bank guarantees that will be required from the supplier that is awarded the contract, after the signing of the contract.

Note 1: Bank guarantees **will only be required once the contract is signed with the awarded supplier**, after the International Public Bidding. In this sense, this request for information to suppliers does NOT require the constitution of any guarantee, since it is a market research and study.

Note 2: The risks covered by the guarantees are intended to ensure compliance with the obligations acquired by the awarded supplier in favor of Monómeros and third parties that may be affected by the execution of the contract, due to: « (i) the subscription of the contract; and (ii) the risks to which Monómeros is exposed, derived from the extra-contractual liability that may arise from the actions, facts or omissions of its contractors.

7. MECHANISMS FOR CLARIFICATION OF SUPPLIER RESPONSES.

Monómeros will review the information received from the suppliers in order to carry out the market analysis; in case any doubt arises during such review, Monómeros may request in writing the clarification or correction of those aspects about which there are doubts and that due to the way in which they are presented, additional information is required for their proper understanding.

8. CONFIDENTIALITY OF INFORMATION.

Monómeros is committed to handle the information of the interested suppliers with absolute reserve, in this sense, the information analyzed as a result of this request for information to suppliers -RFI, will be known exclusively by the executing team and / or other allies of Monómeros, not having a different use of the information than that described in this request, prohibiting the commercial, financial and any other purpose other than those described herein. Monómeros guarantees that it will not make any publication that includes sensitive and business information with technical, operational and/or financial impacts of each of the quotations received in this process. The treatment of personal data will be subject to the provisions of the Colombian legislation - Law 1581 of 2012.

9. CONDITIONS OF THE REQUEST FOR INFORMATION TO SUPPLIERS -RFI.

All interested parties must fill out and send to Monómeros the attached Annexes with this request for Information to Suppliers, where the items to be quoted and the minimum characteristics or specifications of the goods and services to be contracted have to be detailed. All fields must be filled in, including those related to the contact information of the quoter, and sent to Monómeros through the e-mail licitacionabatimiento@monomeros.com.co, no later than the date established in the schedule defined in this request for information to suppliers.

SECTION E - LIST OF ANNEXES.

The list of attachments to this request for information to Suppliers is summarized below:

Annex 1A - "Technical Specification - Requirements for Goods and Services".

Annex 1B - Drawings of the ammonia oxidation reactor and basket currently installed at the Monómeros nitric acid plant.

Annex 2 - Quotation format and questions about the supply.

Annex 3 – Detailed drawing of R-1101 reactor.

For the record, this is published on this day, November 30, 2023.