



# **Nepal Outreach Event**

**September 13, 2019, Washington, DC, USA**



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CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

# About Millennium Challenge Corporation

- MCC is a U.S. Government agency that gives grants to increase economic growth and reduce poverty
- Led by a governing public/private Board of Directors, and is chaired by Secretary of State Pompeo
- There are two types of MCC-funded programs: Compacts, which are 5-year grants and Thresholds, which are 2-3 year grants
- MCC's Board selects countries based on performance on 20 independent and transparent policy indicators (e.g., political rights, control of corruption, gender in the economy)
- MCC only funds projects that are expected to have demonstrable impact on economic growth

# How MCC Selects Partner Countries

Our Board of Directors uses a data-driven, transparent method to identify the best-governed low income and lower middle income countries where MCC can reduce poverty through economic growth.



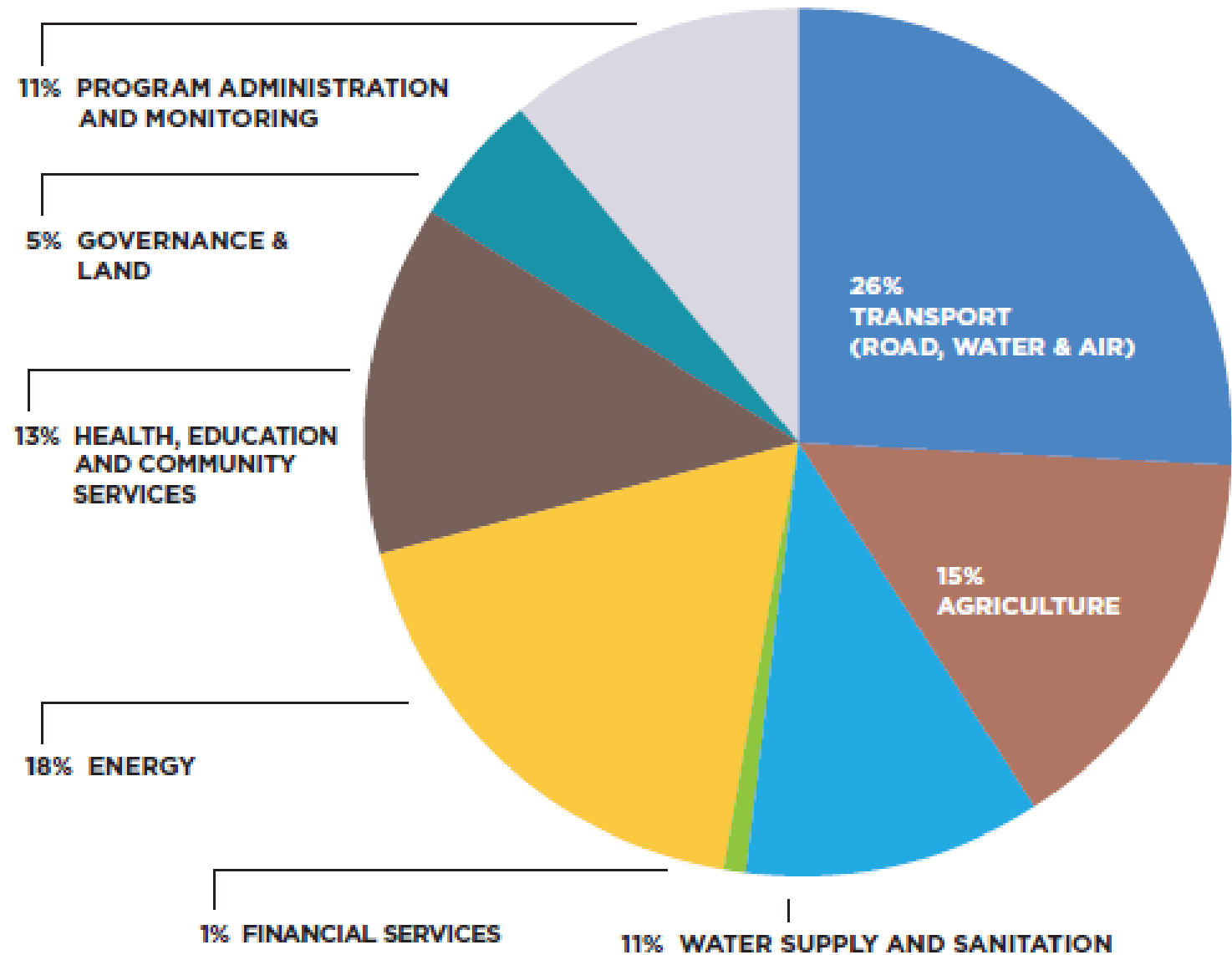
# What Makes MCC Unique

- County selection based on country commitment to good governance
- Strict 5-year clock
- Focus on results and country ownership



## Compact Investments by Sector (as of FY2019 Q2)\*

Investments in each country are based on an assessment of the greatest constraints to economic growth



# Countries Where MCC Works

## Active Compacts

Benin  
Côte d'Ivoire  
El Salvador  
Ghana  
Liberia  
Mongolia  
Morocco  
Nepal  
Niger  
Senegal

## Compacts Under Development

Burkina Faso  
Indonesia  
Kosovo  
Lesotho  
Malawi  
Sri Lanka  
Timor Leste  
Tunisia

## Threshold Programs

Guatemala  
Kosovo  
Sierra Leone  
Togo  
Ethiopia (development)  
Solomon Islands (development)  
The Gambia (development)



# Two Channels of Business Opportunities

## With Headquarters

- \$70 million per year
- Administered directly by MCC
- For headquarters operations, due diligence, and country oversight
- Governed by the U.S. Federal Acquisition Regulations (FAR)

## With Partner Countries

- \$500 million per year
- Administered by partner countries with MCC oversight
- For program implementation
- Governed by MCC's Program Procurement Guidelines (PPGs)

# Five Reasons To Do Business in Our Partner Countries



1. Invoices are paid directly by the U.S. Treasury to the contractor.
2. Funding is committed to specific programs up-front.
3. The procurement process establishes a fair playing field.
4. Winning contracts are price-reasonable and best value.
5. International environmental and labor standards are enforced.



# Nepal Compact Highlights

- MCC and the Government of Nepal entered into a Compact to help facilitate poverty reduction through economic growth in the amount of **\$500 million USD**.
- The **Millennium Challenge Account-Nepal (MCA-Nepal)** has been established as the legal and accountable entity in Nepal.
- As such, **MCA-Nepal is responsible for implementation** of the Compact.
- **MCA-Nepal will procure all goods, works, and services** funded under the Compact using the MCC Program Procurement Guidelines, and will enter into contracts and administer all such contracts.
- All program **disbursements must be made within five years** of entry-into-force (EIF) of the Compact, which is scheduled for June 2020.



# Nepal Compact Projects

## The Electricity Transmission (ETP)



## The Road Maintenance Project (RMP)







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# Nepal Power Compact Opportunities



## Electricity Transmission Project

Activities	Budget
Transmission Line	\$228 million
Substations	\$114 million
Power Sector Technical Assistance	\$22.4 million
Technical Oversight and Management	\$33.6 million
<b>Total</b>	<b>\$398 million</b>



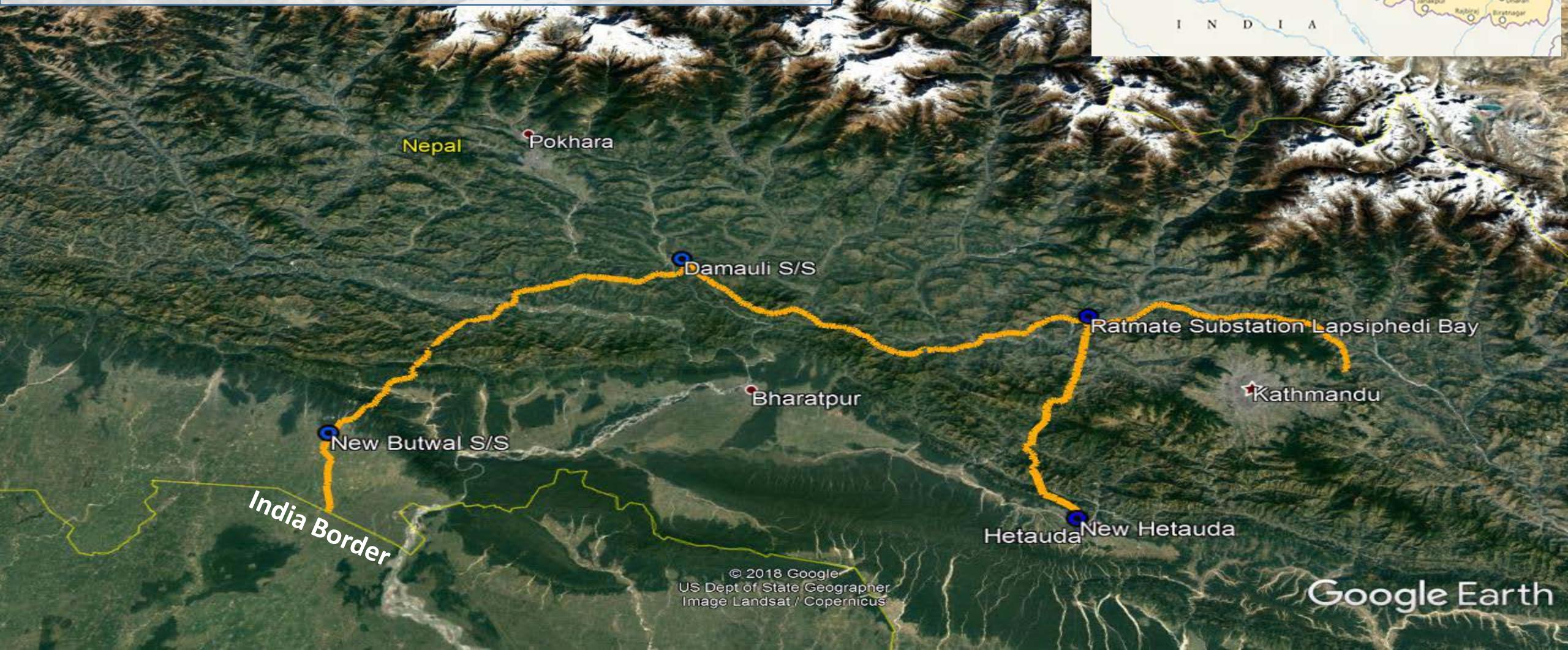
# Nepal Electricity Transmission Project

Outcomes:

- Add 3,920 MW Tx capacity; reduce losses to 1.9%
- Support 3x increase in electricity consumption per capita

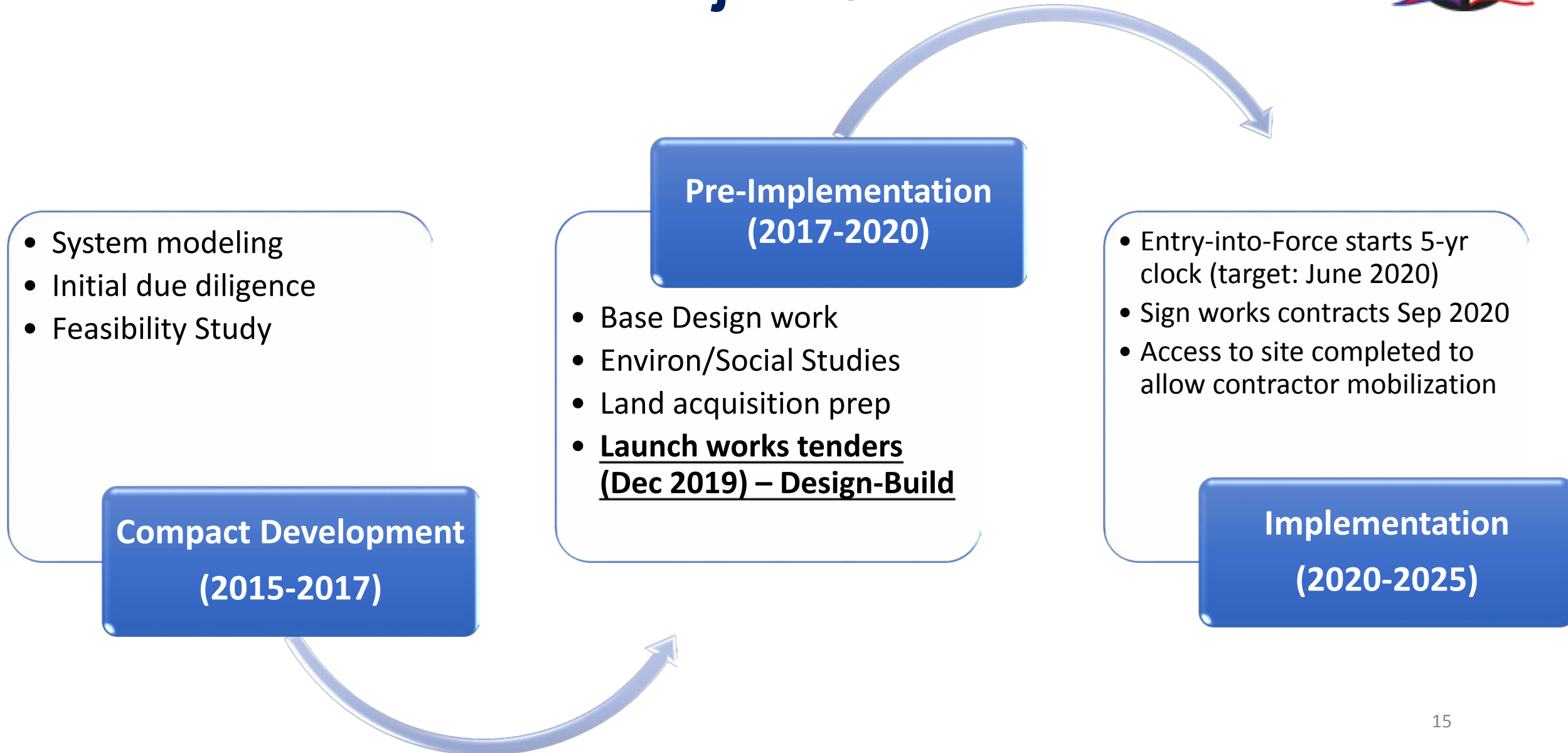
Approx. 312 km – 400 kV Tx lines (~850 towers)

3 x 400 kV substations





# Electricity Transmission Project Status



# Electricity Transmission Project Opportunities (Works)



## Transmission Lines

- 1 package x 3 lots
- 400 kV D/C; lots 90-115 km each
- 3.5 year execution



## Substations

- 1 package x 3 lots
- 3 x 400 kV GIS substation
- 3 year execution

- Design-Build (FIDIC Yellow Book)
- Expected launch: Dec 2019
- Quality-Price Based Selection
- Expected contract sign: Sept 2020



# Additional Employer's Requirements of Note





# Electricity Transmission Project Technical Assistance



# Electricity Transmission Project Opportunities (Other)



## MCA Partnership Program



- Extend benefits to communities along ETP route
- Scope likely include energy services (e.g., solar panels, productive uses, etc.)
- Timing TBC: Early 2020

## Project Management



- Potential for additional support (PMO to MCA-Nepal)
- Timing/Scope TBC



# Procurement Overview

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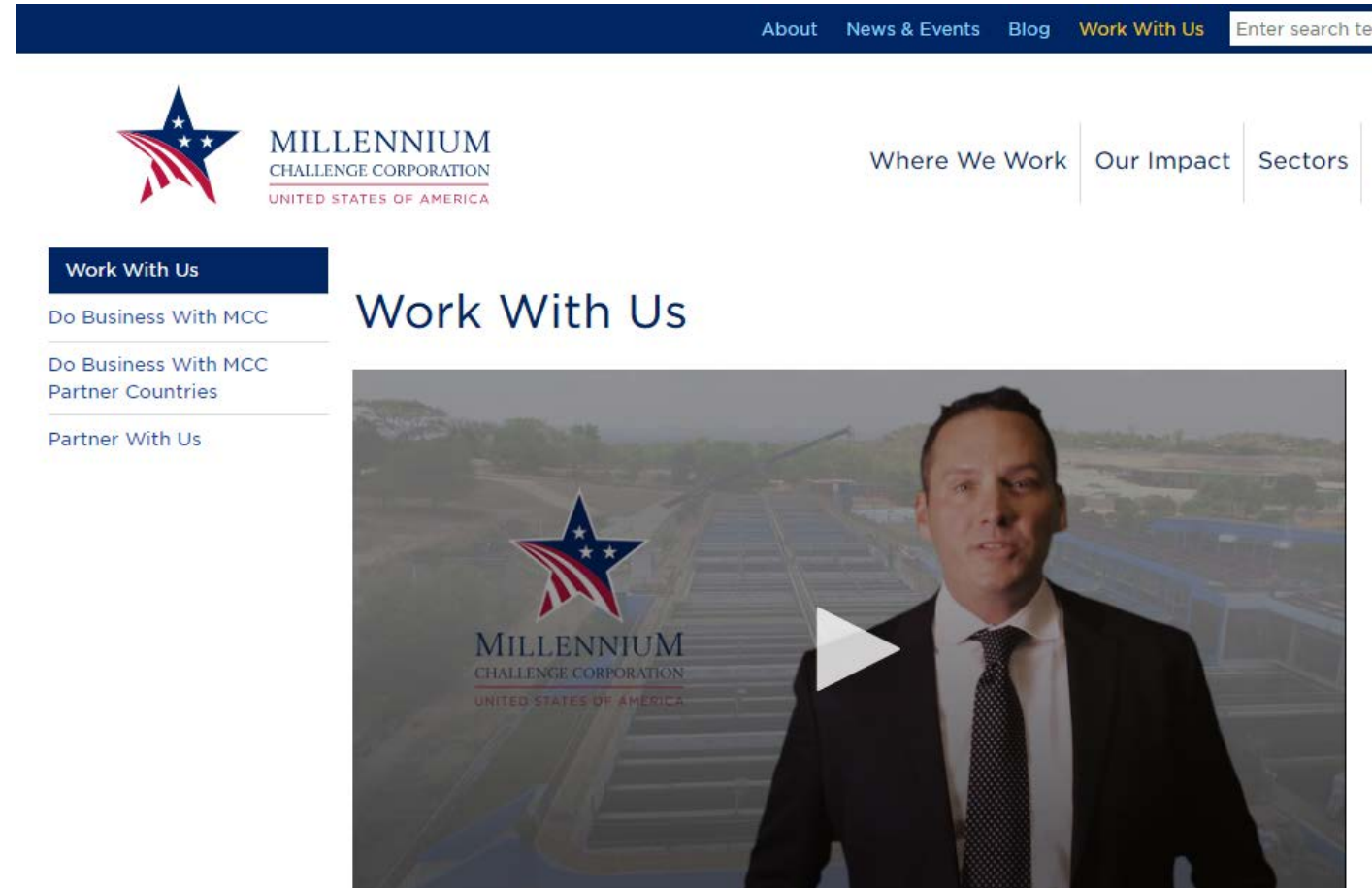
1. MCC Program Procurement Guidelines apply
2. No Government-Owned Enterprises (GOE) allowed to bid for goods & works procurements
3. MCA runs procurements and manages contracts with Procurement Agent support
4. Firms must be eligible for U.S. funding
5. Efficient process, typically 6 to 9 months from solicitation to contract award
6. Evaluation panel composed of technical experts
7. Best value procurement
8. Price evaluated for reasonableness
9. Infrastructure/Construction Projects require an external (non- MCA) project manager



# How to Find Opportunities

- Visit MCC's website—a one-stop shop
- Includes all live opportunities and 12-month forecasts

[www.mcc.gov/work-with-us](http://www.mcc.gov/work-with-us)



# How to do Business

- MCA-Nepal Website: [MCANP.org](http://MCANP.org)
  - List of upcoming procurement opportunities
  - Updated and refreshed at least every 3 months, always looking 12 months ahead
- Interested in an opportunity on the GPN?
  - Email: [Luis.Villalta@Cardno.com](mailto:Luis.Villalta@Cardno.com) (copy to [Mahendra.Shrestha@MCANP.org](mailto:Mahendra.Shrestha@MCANP.org))
  - Include:
    - Contact name, email and company name, address, phone number
    - And the procurements/activities you're interested in
- We advertise on:
  - UNDB, dgMarket, MCA website, local newspapers and FedBizOpps
- Time
  - In Nepal preparation time for international tenders approximately 3-4 months
- **MCC supervises every step of procurement to ensure transparent process**





# Quality and Price Based Selection (QPBS)

- Emphasis on best value (quality, not just lowest price)
- As an exception to the lowest evaluated bid principle MCA-Nepal will use a Quality and Price Based Selection (QPBS) methodology
- “As such the contract shall be awarded to the qualified bidder whose bid has been determined to have the highest combined technical and financial score”

# Tips for Winning Contracts

- In-country suppliers, contractors and consultants are encouraged to form alliances with international firms to enrich and enhance their experience.
- MCA/MCC Bidding Documents should be reviewed carefully, as MCC uses its own bidding documents.
- Bidders should, as best as possible, use the forms provided in the bidding documents, rather than use their own.
- Bidders are encouraged to read through the MCC Program Procurement Guidelines periodically.
- Fixed Price Contracts. Understand that most MCC contracts are fixed-price contracts, and the decision is price-sensitive, so put in your best possible price.
- Zero Tolerance to Fraud and Corruption.
- Bidders are encouraged to request information and clarification from the MCA if there is anything they do not understand, or if they require more information.
- Understand MCA's Bid Challenge System

# Other Key Procurement Tips

- Bid Security required– ensure it accompanies the bid with the corresponding bank enforceable in Nepal.
- Advance payment requires a bank guarantee, enforceable in Nepal.
- Performance bank guarantees, similar conditions apply.
- The standard bidding document (SBD) contract formats have been reviewed and approved by MCC– agree to them before bidding.



# Future Outreach Events



- Kathmandu – November 18
- Delhi – November 21-22



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**For more information on  
MCC-funded business opportunities, please visit:**

**[www.mcc.gov/work-with-us](http://www.mcc.gov/work-with-us)**

**For information on MCA-Nepal business  
opportunities, please visit**

**[www.mcanp.org](http://www.mcanp.org)**

**For Q&A regarding the procurement, please contact  
[info@mcanp.org](mailto:info@mcanp.org)**