



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA

Nepal Outreach Event

September 13, 2019, Washington, DC, USA



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.

Ruling justly

Economic
freedom

Investing in
people

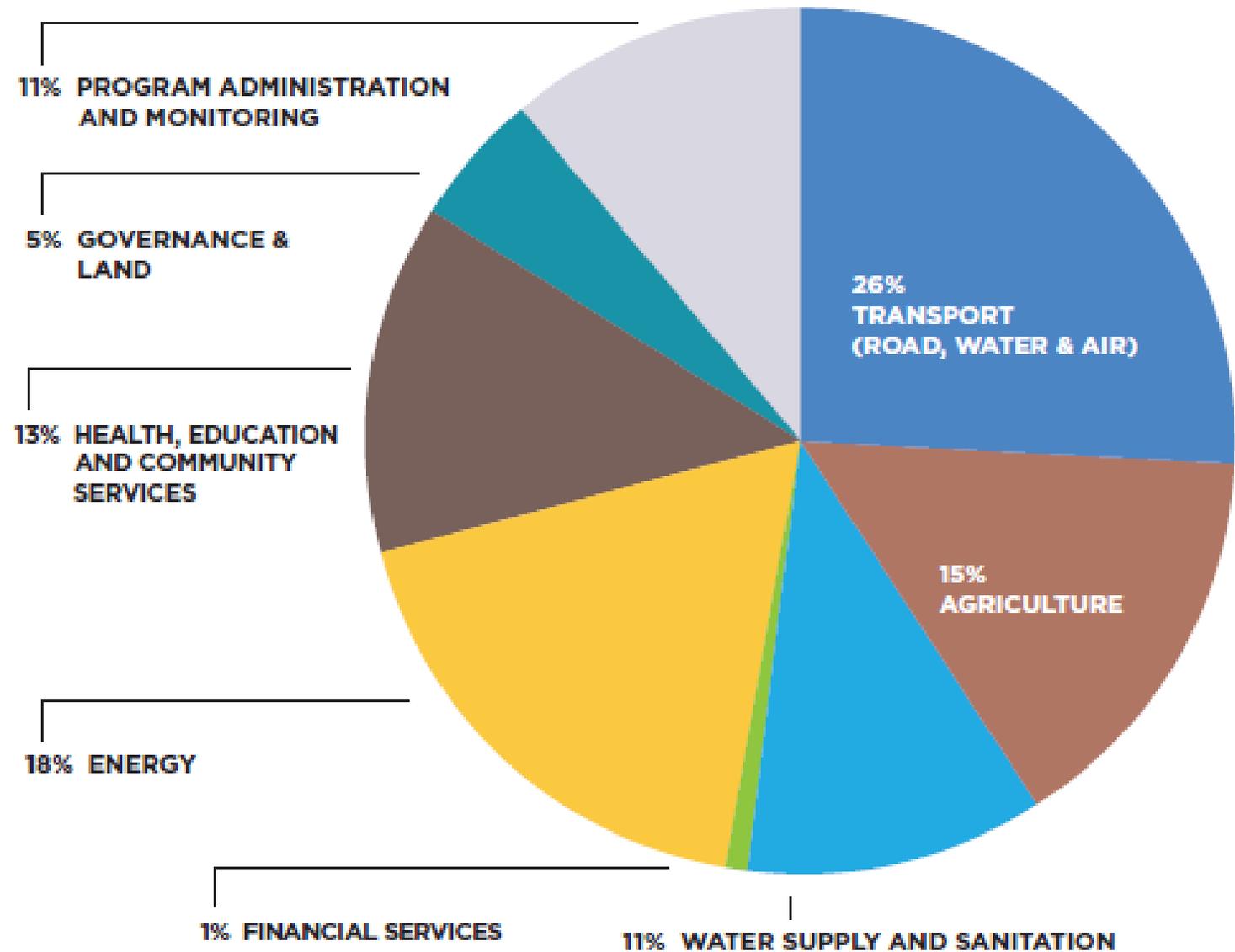
What Makes MCC Unique

- 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.

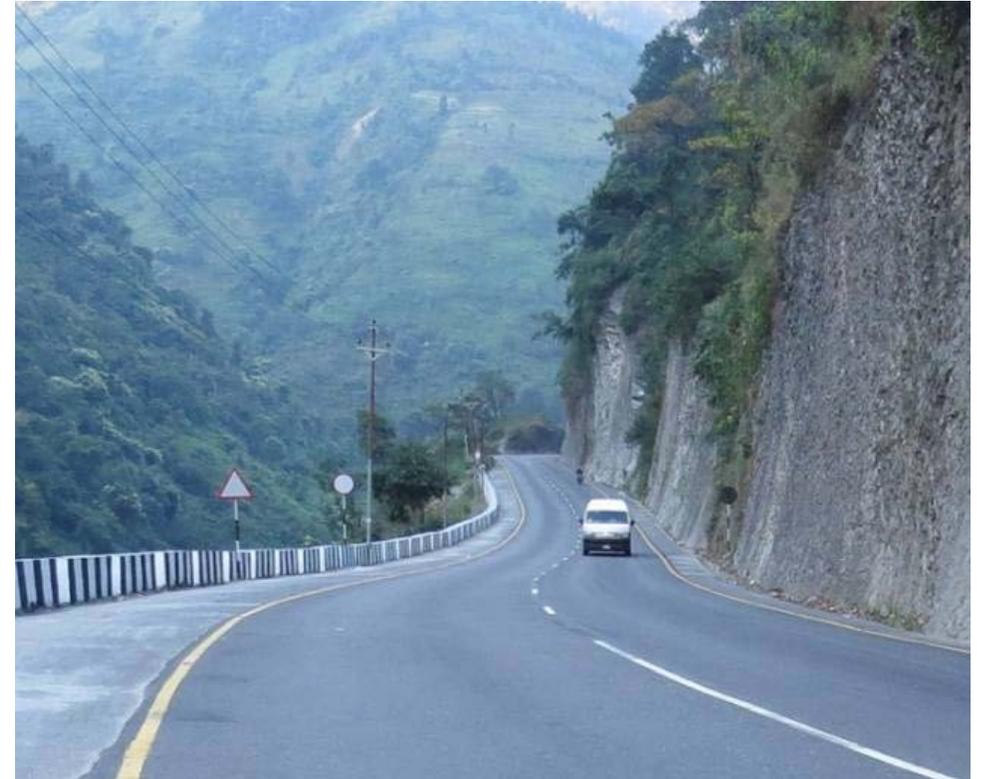


Nepal Compact Projects

The Electricity Transmission (ETP)



The Road Maintenance Project (RMP)





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
Total	\$398 million

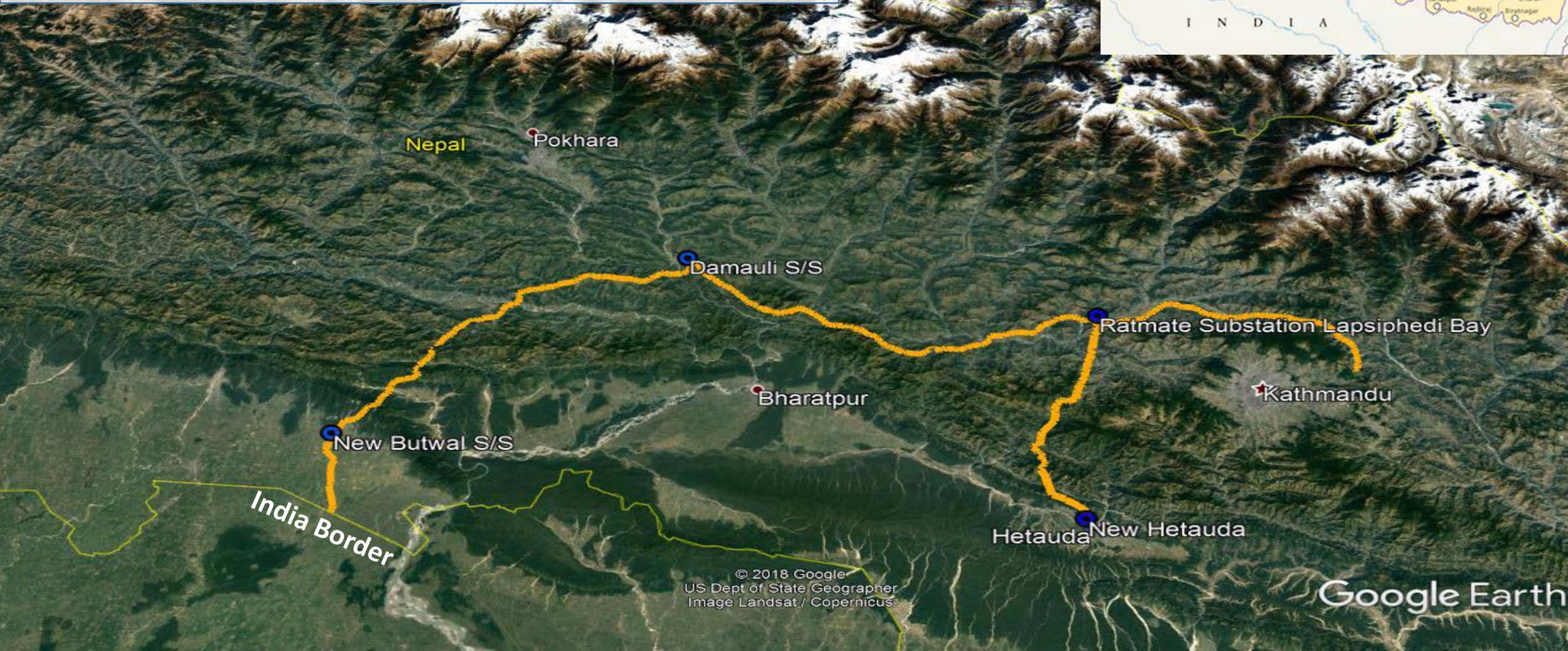
Nepal Electricity Transmission Project

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



NEA

- Network development & asset management
- System planning
- System & market operations
- Regulatory compliance & financing

ERC

- Support basic organizational strengthening for new regulator
- Develop & implement critical regulatory tools & processes (legal, technical & economic)
- Establish operational regulatory framework

Sector

- Support for sector planning & execution
- Enabling environment for investment

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



Procurement Overview

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

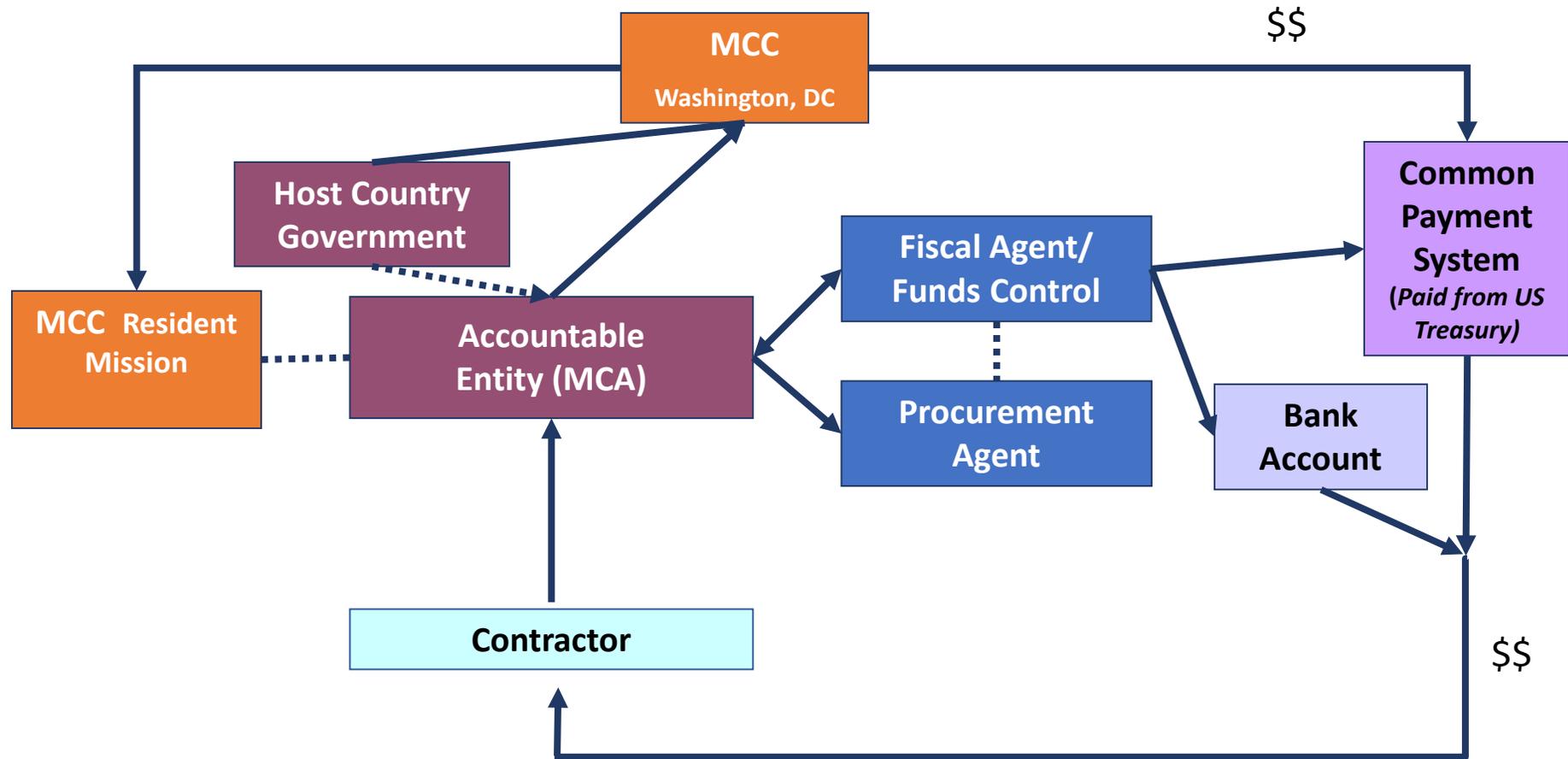


The screenshot shows the top navigation bar of the MCC website with links for 'About', 'News & Events', 'Blog', 'Work With Us', and a search bar. Below the navigation is the MCC logo and a secondary navigation menu with 'Where We Work', 'Our Impact', and 'Sectors'. The main content area features a 'Work With Us' section with a dark blue header and three menu items: 'Do Business With MCC', 'Do Business With MCC Partner Countries', and 'Partner With Us'. To the right of this menu is a large video player with a play button icon. The video thumbnail shows a man in a suit speaking, with the MCC logo and name overlaid on the left side of the frame.

How to do Business

- MCA-Nepal Website: 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 (copy to 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**

Compact Implementing Structure



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



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

www.mcc.gov/work-with-us

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

www.mcanp.org

**For Q&A regarding the procurement, please contact
info@mcanp.org**