

CB No: MCA-M/CF/DWA/W-01

**Pre-Qualification of
Construction Works of an Advanced Water Purification Plant (AWPP) and SCADA
Controls (CP 2)**

**ANSWERS TO CLARIFICATION QUESTIONS – ISSUE No. 2
(Questions 10-28)
July 27, 2020**

Questions and Answers 1-9 issued to all registered Applicants on July 10, 2020	
Question 10:	GOEs are not eligible to compete for MCC-Funded contracts for goods or works. But, according to the Part 13.3.4 of the MCC Program Procurement Guidelines, the GOE policy shall not apply to subcontractors. So, is it possible for GOE as a subcontractor to participate in this project?
Answer 10:	During evaluation of the qualification applications, only experiences of applicants will be reviewed. Therefore, experiences of sub-contractors will not be considered at this stage. Please note however that all eligibility requirements also apply to the direct suppliers and sub-contractors of an entity performing a MCC-funded contract – According to the 25.1 of the Section I (Instructions to Applicants) of PQD, the proposed specialist subcontractor(s) shall meet the corresponding qualification requirements specified in ITA 5 and Section III, Qualification Criteria and Requirements.
Question 11:	A cloud-based Control System eliminates the need for a physical SCADA control room. By eliminating this facility, MCA-Mongolia can significantly save on project costs, which can be spent on many other community development projects. Would you consider amending your SCADA specification to allow a Cloud solution to bid for this project?
Answer 11:	Whilst MCA-Mongolia appreciates the Applicant's concern that it's purported cost savings could be realigned to other elements of the program, the requirement for a physical SCADA control room is a critical element of the project. As such, the specification, design and functionality shall remain unchanged.
Question 12:	Refer to 2.4.3 Specific Experience in Key activities: Can different members of the JV or subcontractor fulfil the activities mentioned separately?
Answer 12:	In the case of a single entity Applicant, it must meet the requirements indicated in PQD Section III Table A. This cannot be delegated to a Sub-Contractor. In the case of a Joint Venture, at least one J/V member must meet the requirements indicated in PQD Section III Table 2.0 Qualification; again, this cannot be delegated to a Sub-Contractor.

Question 13:	Refer to Table A Minimum Mandatory Criteria, Specific Experience: Commissioning, Startup and operation: Can this criteria be met by experience of the Subcontractor?
Answer 13:	No, please refer to Answer 12.
Question 14:	Is there any preferred supplier list that bidder has to take into account?
Answer 14:	No, there are no MCA-Mongolia preferred suppliers. For a detailed response on possible suppliers or partners, please refer to the answer for question #4 issued on July 10, 2020.
Question 15:	Is there any requirement of notary requirement for the attachment documents?
Answer 15:	Yes, PQD Section II ITA 16.1 states that a Written Power of Attorney is required. This shall be authenticated by a Public Notary.
Question 16:	Refer to PDS 25: Is there any limit for the Subcontractor's portion of work?
Answer 16:	<p>No, however Applicants are directed to General Conditions of Contract, Sub-Clause 4.4 of FIDIC (First Edition, 1999 - Red Book), in conjunction with Special Conditions of Contract 4.4 for the contractual requirements, which will be included in the bidding documents to be issued to the qualified bidders.</p> <p>Please refer to the answer for question 12, sub contractors cannot be used to meet the requirements for general, similar, or specific experience. It should be noted that According to the 25.1 of the Section I (Instructions to Applicants) of the PQD, Applicants planning to subcontract any of the key activities indicated in Section III, Qualification Criteria and Requirements, shall specify the activity(ies) or parts of the Works to be subcontracted in the Application Submission Form. Applicants shall clearly identify the proposed specialist subcontractors in Forms ELI-2 and EXP 3 in Section IV.</p> <p>Since the experience and financial resources of subcontractors may not be added to those of the Applicant for purposes of pre-qualification of the Applicant and the entity(ies) comprising the Applicant, whether a single entity or Association or Joint Venture, must meet the qualification requirements as described in Section III (Qualification Criteria and Requirements), and a pre-qualified Applicant would be permitted to introduce new subcontractors at the time of submission of its bid or offer at the discretion of the Employer, Applicants are not required to identify all of the subcontractors they plan to use in order to be prequalified. However, the Employer reserves the right to approve subcontractors.</p> <p>According to the Form TECH-5 of the PQD: Project Management Organization, Applicant shall provide the following information:</p> <p>Plans for subcontracting any parts of the Works and the services to be carried out by specialized Subcontractors. Provide a list of categories of Work that the Applicant anticipates to self-perform and those that will be performed by subcontractors. While it is recognized that Applicants may not at this time have firm decisions on the</p>

	approach to sub-contracting, the Applicant is to provide a general description of an approach to subcontracting and how decisions are made to sub-contract.
Question 17:	Refer to Requirements 2.4.2 Similar Experience: “The similarity shall be based on the physical size greater than 30,000m3/day of finished water”. Does 30,000m3/day of finished water mean for each similar project or all 4-project combined?
Answer 17:	The 30,000m3/day of finished water applies for each similar project.
Question 18:	For AWPP: Will the detailed design for construction be provided also by the employer or only draft design?
Answer 18:	The Employer shall issue detailed designs as an integral part of the bidding document.
Question 19:	Refer to Requirements 2.3.2 Annual Average Turnover: “Minimum average annual construction turnover of \$200,000,000 ... within the last five (5) years.” Can it be every construction works not only similar to this project?
Answer 19:	Yes, the minimum average annual construction turnover requirement is for all construction.
Question 20:	Accounting after HGB (German standard) or IFRS (international)?
Answer 20:	There is no specific accounting requirements at the pre-qualification stage. However, at the contract stage, a contractor’s preferable accounting standards are the GAAP and/or IFRS, according to the Compact 3.7 (b) clause.
Question 21:	Refer to Requirements 2.4.2 Similar Experience: Some requirements seem to be too high for our profile. We fulfill every financial requirements but not every requirements related to similar experiences. For example, we had participated in 2 similar projects each value of more than 70 M\$. It seems we are not qualified in this. Is it really essential to be 4 similar projects at least? Or can this 70M\$ benchmark be reduced.
Answer 21:	Clause 2.4.2 shall remain unchanged. Please refer to the answer for question #1 issued on July 10, 2020 for detailed rationale.
Question 22:	Please confirm if the scope of work includes Engineering, Procurement and Construction (EPC) of the Advanced Water Purification Plant.
Answer 22:	The scope of works will follow Building and Engineering works designed by the Employer (FIDIC Red Book) with addition of maintaining operation of the plant for minimum of 1 year.
Question 23:	Credentials authorizing the signing of pre-qualification and tender documents must be original in Mongolian language and official translation from Mongolian to English or must be original Credentials in English written?
Answer 23:	According to the 11.1 of the Section I (Instructions to Applicants) of the PQD, the Application, as well as all correspondence and documents relating to the Application

	exchanged by the Applicant and the Employer, shall be written in English. Supporting documents and printed literature that are part of the Application may be in another language provided they are accompanied by an accurate translation of the relevant passages in English, in which case, the English version shall govern.
Question 24:	<p>According to qualification criteria- 2/3 Financial situation-2.3.1- below: Submission of audited financial statements, including balance sheets, income statements and cash flow statements, or, if not required by the law of the Applicant's country, other financial statements acceptable to the Employer, for the last five (5) years to demonstrate the current soundness of the Applicants' financial position and its prospective long term profitability and to demonstrate:</p> <p style="text-align: center;">1. Average coefficient of Current ratio (Current Assets/Current Liabilities) \geq 1.25 2. Average coefficient of Debt ratio (Total Debt / Total Assets) \leq 1.5</p> <p>These criteria marked red is for each single 5 years? or it is related to average of all 5 years?</p>
Answer 24:	<p>The criteria relates to the average of the last five (5) years.</p> <p>Each of the two (2) coefficients are calculated on a five (5) year average. Applicants must submit the last five (5) years of the required financial documentation as set forth in the PQD and these shall be evaluated by MCA-Mongolia to determine the respective ratio for each year and then the average across all five (5) years.</p>
Question 25:	Pre-qualification Requirement for Annual Average Turnover is at least 200 mil. USD and each of member of JV must to have 25%. Is there a possibility to reduce this requirement by half or even lower, for example to 4 mil. USD? This is very high requirement.
Answer 25:	<p>MCA-Mongolia is seeking to ensure that applicants have the capacity to undertake projects of the size and complexity of the subject procurement. All qualification requirements indicated in the pre-qualification document were carefully considered during the planning stage of this procurement.</p> <p>Therefore, your request cannot be considered and the Minimum Mandatory Criteria and the qualification requirements shall remain unchanged as described in the Table A: Minimum Mandatory Criteria and the Table: 2.0 Qualification of the Section III of the Pre-qualification document.</p> <p>Please also refer to Answer 19.</p>
Question 26:	Cash flow requirement is also very high, - 40 mil. USD. Is there a possibility to reduce this requirement to the minimum possible level?
Answer 26:	Please refer to Answers 19 and 25.
Question 27:	In Pre-qualification document- Similar and Specific experience requirements are very high.

	70 mil. USD for each 4 similar experience and 10 mil. USD for UV disinfection experience. Could these requirements decreased to lower level?		
Answer 27:	Please refer to the answer for question #9 issued on July 10, 2020 and to answers 19 and 25 above.		
Question 28:		Specific Experience: Conventional treatment system	Must have 4 experiences of purchase and installation of conventional water treatment systems, including rate sedimentation systems with plate settlers. This component of experience must have a value of at least \$35M to the entity itself or one member of a JV.
		Specific Experience: RO and NF membranes	Must have 2 experiences of purchase and installation of Reverse Osmosis (RO) and/or Nanofiltration (NF) membranes, including coordination with membrane equipment suppliers. This component of experience must have a value of at least \$20M to the entity itself or one member of a JV.
	Is there a possibility to reduce these above high requirements to lower level?		
Answer 28:	Please refer to the answer for questions # 1 and 9 issued on July 10, 2020 and to answers 27 above.		