



## Mongolia Water Compact

### Questions and Answers

Webinar on Planned Works Procurements of MCA-Mongolia under the Downstream Wells Activity

No.	Questions	Answers
1.	<p>Are MCC funds able to be applied as equity to Public Private Partnerships in BOT or BOO projects? This is a general question for all MCC projects. I want to understand if funds can be applied as equity. If funds could be applied in this fashion, it would greatly accelerate solutions. Most countries are not strong credit risks. If equity is provided from MCC, PPP projects could be implemented to assist US firm's participation on a negotiated basis. How are we ensuring that China firms are not disguising themselves to win these projects? US firms cannot compete with Chinese subsidized firms.</p>	<p>MCC has not participated in equity capital directly. However, MCC grant funds have been used towards viability gap financing in a BOT type project to significantly reduce the capital cost of a project, making it more attractive for investors, and thereby catalyzing private capital flow. A recent example of this is MCC providing viability gap funds (grant) for a long-term concession contract for As-Samra Waste Water Treatment Plant in Jordan. In any situation where such a use of MCC grant funds would be contemplated, it would have to be a part of the compact development process and included in the compact investment decision.</p> <p>MCC procurement policies used by our compact and threshold program partner entities for compact and threshold program implementation do not exclude firms based on nationality except those excluded by US law from receiving US Government funds. These procurement policies do, however, implement MCC's policy regarding Government-Owned Enterprises. Except for a few narrow exceptions described in the MCC's Program Procurement Guidelines, <b>Government-Owned Enterprises are not eligible to compete for or be awarded contracts for procurement of goods or works.</b> Further, MCC may consider any firm organized in a country with a Non-Market Economy to be a Government-Owned Entity and, therefore, ineligible.</p>
2.	<p>What are some good resources to identify local supply chain of materials and contractors?</p>	<p>The Pre-Solicitation Notice on the upcoming procurements under the Downstream Wells Activity of Mongolia Water Compact was posted on the MCA-Mongolia</p>

		<p>website in May 2020. Pre-Solicitation Notice includes “Preliminary Information Package for Applicants” which contains a list of Mongolian firms that have expressed interest in teaming up for the works packages. This will help international and Mongolian firms to find partners.</p> <p>All potential bidders are also encouraged to start making preliminary arrangements for the preparation of pre-qualification application. These arrangements might include establishing contacts with business organizations operating in Mongolia and conduct market research to find potential partners.</p> <p>The “Preliminary Information Package for Applicants” is provided in the pre-solicitation document, which can be found on the following link: <a href="https://mca-mongolia.gov.mn/en/news/press-news/pre-sol-notes">https://mca-mongolia.gov.mn/en/news/press-news/pre-sol-notes</a>.</p> <p>To download the “Preliminary Information Package for Applicants”, please register with the following link: <a href="https://bit.ly/2AMjIvh">https://bit.ly/2AMjIvh</a></p>
3.	Will contractors be in charge of procuring their own equipment? With regard to source and origin of equipment and products, will US suppliers have preference, or will it be open to worldwide competition?	<p>The selected contractor will be responsible for supply of construction materials and equipment.</p> <p>Procurement rules and procedures of MCC uphold open competition, transparency and fairness principle. Therefore, no “national preference” clause applies to MCC funded procurements. However, these procedures also provide certain eligibility restrictions. For example, any person or entity that is debarred or suspended from participating in procurements funded by the United States Federal Government or otherwise prohibited by applicable United States laws or executive order or United States policies, including under any then-existing anti-terrorist policies, shall be ineligible to be awarded a MCC-funded contract, and this restriction applies also to the direct suppliers and sub-contractors of an entity performing a MCC-funded contract.</p>
4.	Will any existing consultants working on the project be allowed to bid for the construction packages?	<p>The consultants who are directly involved in design, project management, and other key aspects of the implementation of the project are not allowed to bid on the works. The PMC will be the Supervising Engineer for the works, and the Design Consultant will provide certain support to MCA-Mongolia during the construction phase. Neither will be eligible to bid on the works.</p>

5.	Will firms who bring “higher” levels of experience and quality will be able to compete with low-cost bidders?	The qualification will be based on many factors. The pre-qualification processes for the subject contracts will result in a list of pre-qualified firms who have strong records in not only the related works but also in different kinds of environmental, safety, social and gender standards. Moreover, the qualification processes will allow firms to elaborate on their plans for addressing the risks related to this project. Firms will also be requested to provide their experience, demonstrated capacity, capability and approach to successfully complete works of similar type, scale and technical challenge.
6.	Could you remind us the timeline for the execution of project?	<p>There will be a pre-qualification process for each of the two large works procurements in the Downstream Wells Activity, which will be followed by Competitive Bidding process. Duration of the procurement processes depends on many factors. However, MCA-Mongolia plans to finalize the pre-qualification process for Construction Package 2 (Advanced Water Purification Plant and SCADA Controls) within the 3<sup>rd</sup> quarter of 2020, the pre-qualification process for Construction Package 3 (Construction of Conveyance and Well Pump-houses, (Raw Water and Finished Water Piping, Network, Flow Monitoring and Controls)) within the 4<sup>th</sup> quarter of 2020, and the Competitive Bidding processes for these CPs within the first half of 2021.</p> <p>Compact duration is 5 years and all projects should be completed within that Compact period. The specific details will be provided in the specific solicitation document, once issued by MCA-Mongolia.</p>

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