



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA



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MCC Overview

Compact Infrastructure

Procurement Process

MCC is an innovative foreign assistance program designed to
“reduce poverty through sustainable economic growth”



***MCC links greater contributions from developed nations
to greater responsibility from developing nations***

**MCC is managed by a Chief Executive Officer and a
public-private Board of Directors comprised of:**

- MCC CEO
- Secretary of State
- Secretary of the Treasury
- U.S. Trade Representative
- USAID Administrator
- Individuals from the private sector

MCC Core Principles



1. Sound governance, economic and social policies:

- To countries who can use assistance effectively
- Spur private investment and increased trade, the real engines of growth

2. Country ownership:

- Increases responsibility
- Builds capacity
- Yields better results

3. Clear objectives and measurement of results:

- Increase accountability
- Contribute to development success

Policies Matter – Annual Competition

Country Scorecards

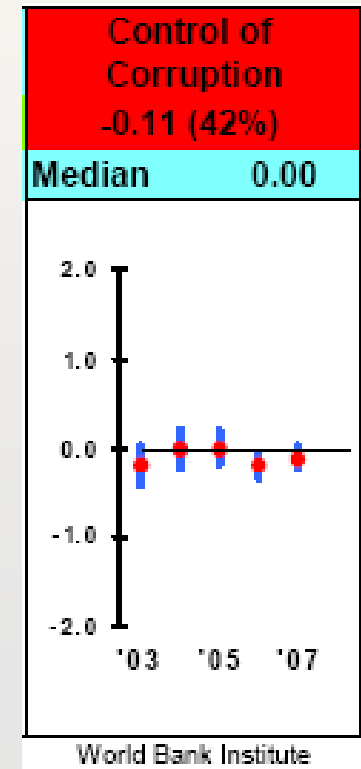
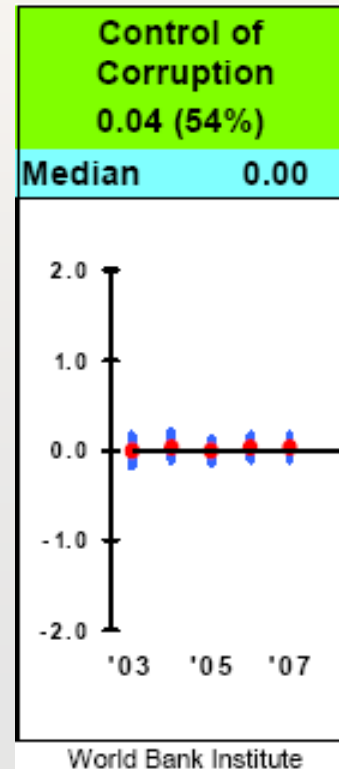


Malawi
Compact Eligible

FY 2009



Niger
Threshold Eligible



MCC's newly-eligible partner countries

Compact Eligible



Threshold Eligible



For detailed information about the decisions and outcomes of the Dec. 11 board meeting, [read the press release >](#)

Compact-eligible countries include Senegal, Moldova, Philippines, Jordan, Malawi, Indonesia, Zambia & Colombia

Country Ownership is Critical – Proposal Development



“MCC has had a transformative effect across the developing world. Responsible, reform-minded governments have set their sights on the MCC benchmarks, and this has accelerated the pace of reform while empowering governments to make decisions on their own path of development and the direction of their future.”

-- Ellen Johnson Sirleaf, President of Liberia, October 2008

Results Count

MCC's economic results can enhance your bottom line

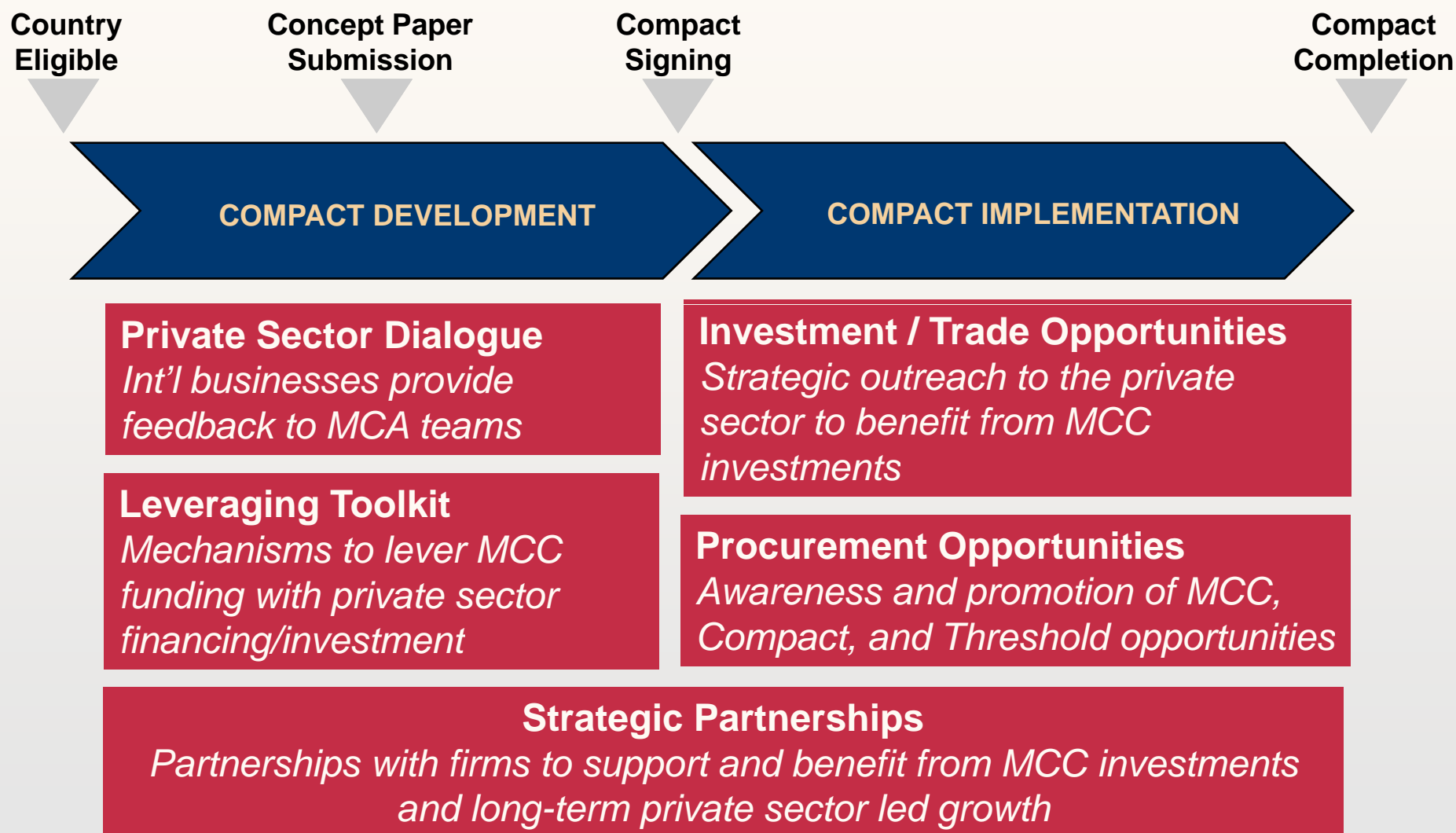
Agricultural Project				
Indicator	Targets by Year (change from baseline)			
	2	3	4	5
Land Activity				
Number of days to conduct a land transaction	50% ▼	67% ▼		
Number of land disputes in the pilot registration districts		30% ▼		50% ▼
Registration of land rights in the pilot registration districts		30% ▲		100%
Post-Harvest Activity				
Volume of products passing through post-harvest treatment (metric tons)		111,820	129,900	143,400



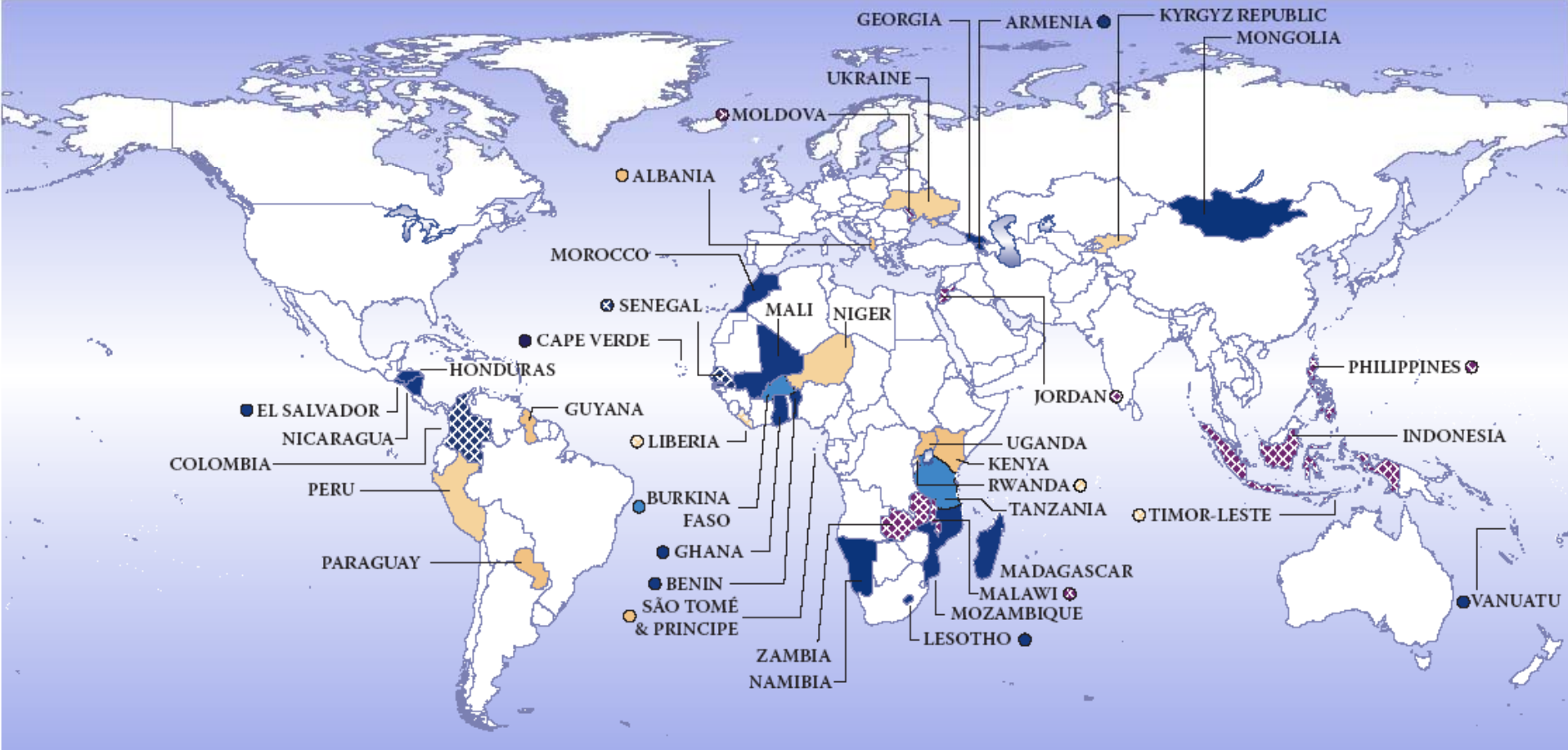
The Ghana Compact: Expected Results over 5 years

- Develop the agronomic potential of **80,000 hectares** of land
- Create employment opportunities for over **260,000 persons**
- Improve the welfare and quality of life of over **1 million people**

MCC Initiatives with the Private Sector



Where MCC Operates



- Compacts Signed
- Compact Signed and Threshold Agreement Signed
- Threshold Agreements Signed
- Compact-Eligible Countries
- Compact-Eligible with Threshold Agreement Signed
- Threshold-Eligible Countries
- Suspended Compact-Eligible Countries
- Compact-Eligible and Threshold Eligible
- Threshold Countries Suspended





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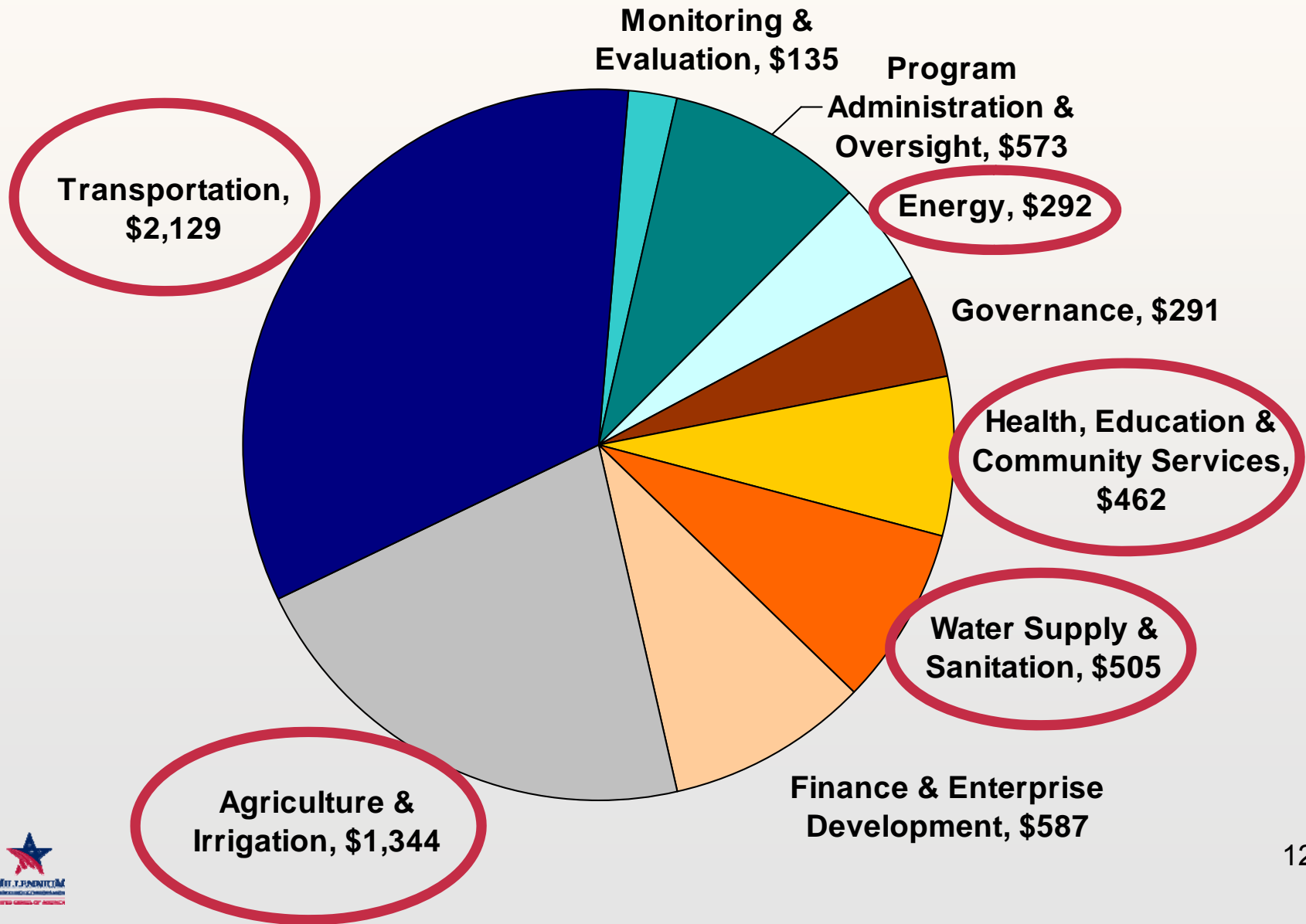
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MCC Overview

Compact Infrastructure

Procurement Process

Compact Funding by Sector, in MUSD: Over Half Infrastructure



The Morocco Compact



Ag & Irrigation
\$300,900,000



Fisheries
\$116,200,000

Procurement	Timeframe
Land Preparation Earthworks & Fruit Tree Planting	Spring/Summer 2009
Irrigation Infrastructure Works	Spring/Summer 2009
Rehabilitation of Hassan Addakhil dam	Spring/Summer 2009
Construction of Fishing Ports & Wholesale Fish Markets	Spring/Summer 2009

The Burkina Faso Compact



Irrigation
\$91,438,869

Roads
\$194,130,000

Procurement	Timeframe
Design and Supervision of Communes and Agriculture Markets	RFP Launch: March 2009
Design and Supervision (Option) for Banfora Sindou Roads (50km) and Rural Roads Comoe (151km)	EOI Launch: March 2009 RFP Launch: April 2009
Design and Supervision (Optional) for Sabou-Koudougou Didyr Roads (76km)	EOI Launch: March 2009 RFP Launch: April 2009

The Ghana Compact



Transport
\$238 million total



**Agricultural
Infrastructure**
\$42 million

Procurement	Timeframe
Trunk and feeder roads	Tenders issued starting April 09
National Highway	Tender for 2 nd lot issued May 09
Ferry project	Tenders issued starting June 09
Irrigation	Tenders to be issued late 2009
Post harvest facilities	Tenders to be issued late 2009



The Georgia Compact

Roads
\$183 million total



Energy and Water
\$132 million total

Procurement	Timeframe
Roads	Tenders completed
Pipeline rehabilitation	Tenders for final phase late 2009
Gas storage	Tenders issued starting spring 09
Water supply & sanitation	Tenders ongoing



The Armenia Compact



**Agricultural
Infrastructure
\$145.7 million**

Procurement	Timeframe
Pumping stations rehabilitation	Tender in Spring/Summer 2009
Irrigation gravity schemes construction (7 total in 2 lots)	Tender in Spring/Summer 2009
Tertiary canal rehabilitation	Tender in Spring/Summer 2009

The Lesotho Compact



**Water Projects
\$145 million total**



**Health Projects
\$103 million total**

Procurement	Timeframe
Metolong Conveyance	Construction: Late 2009 – Early 2010
Metolong Water Treatment Works	Design-Build: Late 2009- Early 2010
Water Distribution Systems	Design: Mid 2009 Construction: 2010
Rural Water Supply & Sanitation	Program Management: Mid 2009 Construction: Late 2009 – Early 2010
Health Clinics, Out-Patient Departments, etc.	Program Management: Late 2009 Design-build: Late 2009

The Mozambique Compact



Water & Sanitation
\$203.6 million total

Road Rehabilitation
\$176.3 million total

Procurement	Timeframe
Rural Water Supply (wells & boreholes)	Construction: Fall 2009
Nacala Dam Rehabilitation & Raising	Construction: Summer 2010
Water Supply and Sanitation in 5 secondary cities and towns	Construction: Summer 2010
Urban water supply and sanitation in 3 provincial capitals	Construction: Summer 2010
4 Road segments in Cabo Delgado, Nampula, and Zambezia provinces (491 km)	Construction: Summer 2010

The Tanzania Compact



Water Project
\$66 million total



Transport Project
\$353 million total

Procurement	Timeframe
Zanzibar (Pemba) Rural Roads: 35km	Feasibility & Design: Mid 2009 Construction: TBD
Mafia Island Airport Activity (Runway, facilities and road link improvements)	Engineering: Mid 2009 Construction: 2010
Lower Ruvu Water Treatment Plant Expansion & Morogoro Water Treatment Plant Upgrades	Engineering: Ongoing Construction: 2010

The Tanzania Compact



**Energy Projects
\$206 million total**



Procurement	Timeframe
Transmission & Distribution Activity (up to 2,100km of .4, 11, 33 kV lines)	Engineering: On-going Construction: Fall 2009
Zanzibar Cable Activity (approx 40km submarine & 40km OH cables)	Engineering: On-going Construction: Summer 2009
Hydro Activity (8MW run-of-river hydropower plant)	Engineering: On-going Construction: Spring 2010



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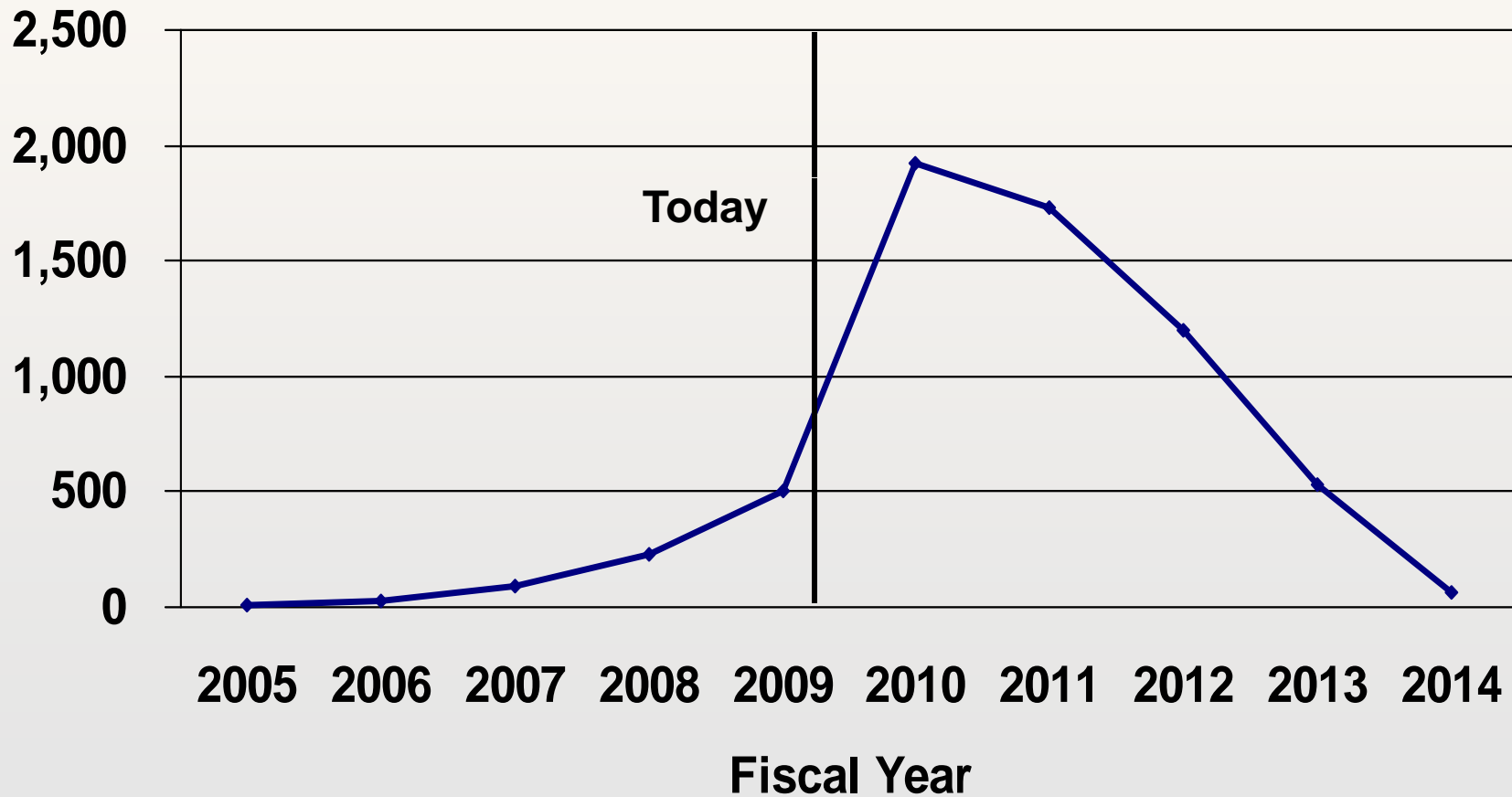
Compact Infrastructure

Procurement Process

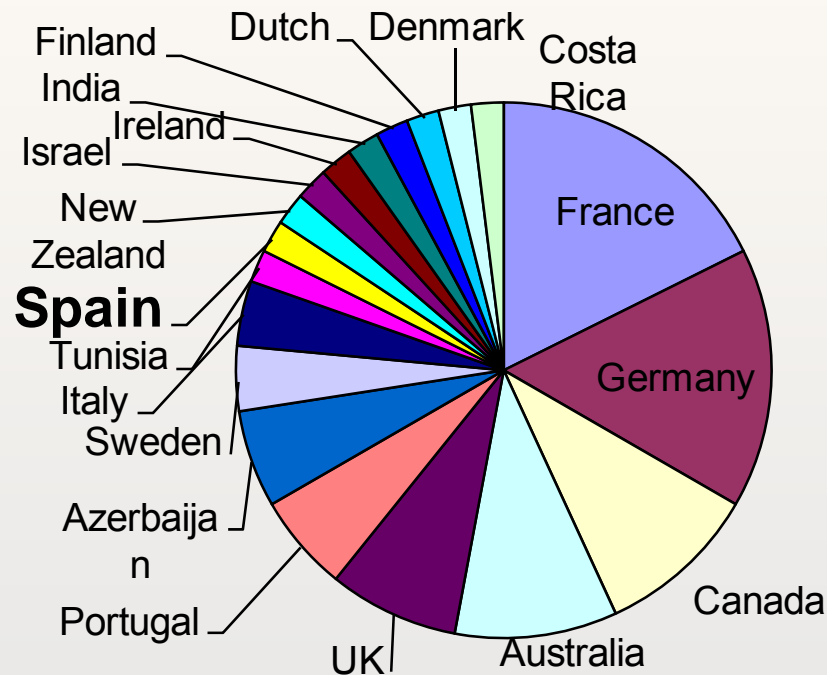
\$2.5 Billion to Contract in 2009 and 2010

Note: only current 18 Compacts, 8 others under development

USD millions



International Contractors Needed for Construction, Goods, Consulting, and Other Services



International companies (non-US & non-domestic) have won **60.3%** of our contracts by number so far, worth an estimated **\$482 million**



Compact procurements

- Administered by MCA Entities.
- Contract opportunities – all untied – are published to:
 1. <http://www.mcc.gov/>
 2. <http://mcc.dgMarket.com/>
 3. <http://www.devbusiness.com/>

dgMarket®

 United Nations
Development Business



Threshold procurements

- Administered by USAID.
- Most tied to US companies.
- Opportunities published to <http://www.FedBizOpps.gov/>

FedBizOpps



MCC corporate procurements

- Administered by MCC.
- Some tied to US companies.
- Opportunities published to <http://www.FedBizOpps.gov/>

FedBizOpps

www.MCC.gov: Becoming a one-stop-shop for bidders

The screenshot shows the MCC website's 'Contracts & Procurements' page. The header features the MCC logo and navigation tabs: About MCC, Selection Criteria, Programs & Activities, Countries & Country Tools, Press & Public Affairs, Jobs, Contracts & Procurements, and Contact MCC. The main content area is titled 'Contracts & Procurements' and includes a breadcrumb trail: Home > Procurement > Contracts & Procurements. Below the title are four tabs: MCA Procurements, Threshold Procurements, MCC Procurements, and Consultants. The 'MCA Procurements' tab is active, displaying the section 'Compact (MCA Entity) Procurements'. This section explains that countries with signed Compacts solicit, award, and administer procurements for goods, works, and services based on the programs designed in their Compact. It notes that these procurements are awarded and administered by the country through an 'accountable entity' (also known as an 'MCA Entity') the organization established by the country to manage the programs identified in their Compact. MCC is not a party to these contracts. Recipient countries are required to post procurement notices at official websites, with links to 'United Nations Development Business' and 'dgMarket'. Each procurement notice includes a point of contact for any questions. MCC makes payments via 'The Common Payment System' directly to vendors contracted with partner-country MCA entities to implement activities under the MCC-funded compacts. All MCC compact country procurements are available for review on this free 'dgMarket web site'. An RSS feed icon and 'RSS Feed: What's This?' are also visible. On the right side, there are four blue buttons with white text and icons: 'Video & Podcast: Doing Business with MCC >', 'Procurement Principles >', 'Program Procurement Guidelines >', and 'Standard Bidding Documents >'.

MCC is transforming its procurement website to better reach potential bidders

<http://www.mcc.gov/procurement/index.php>

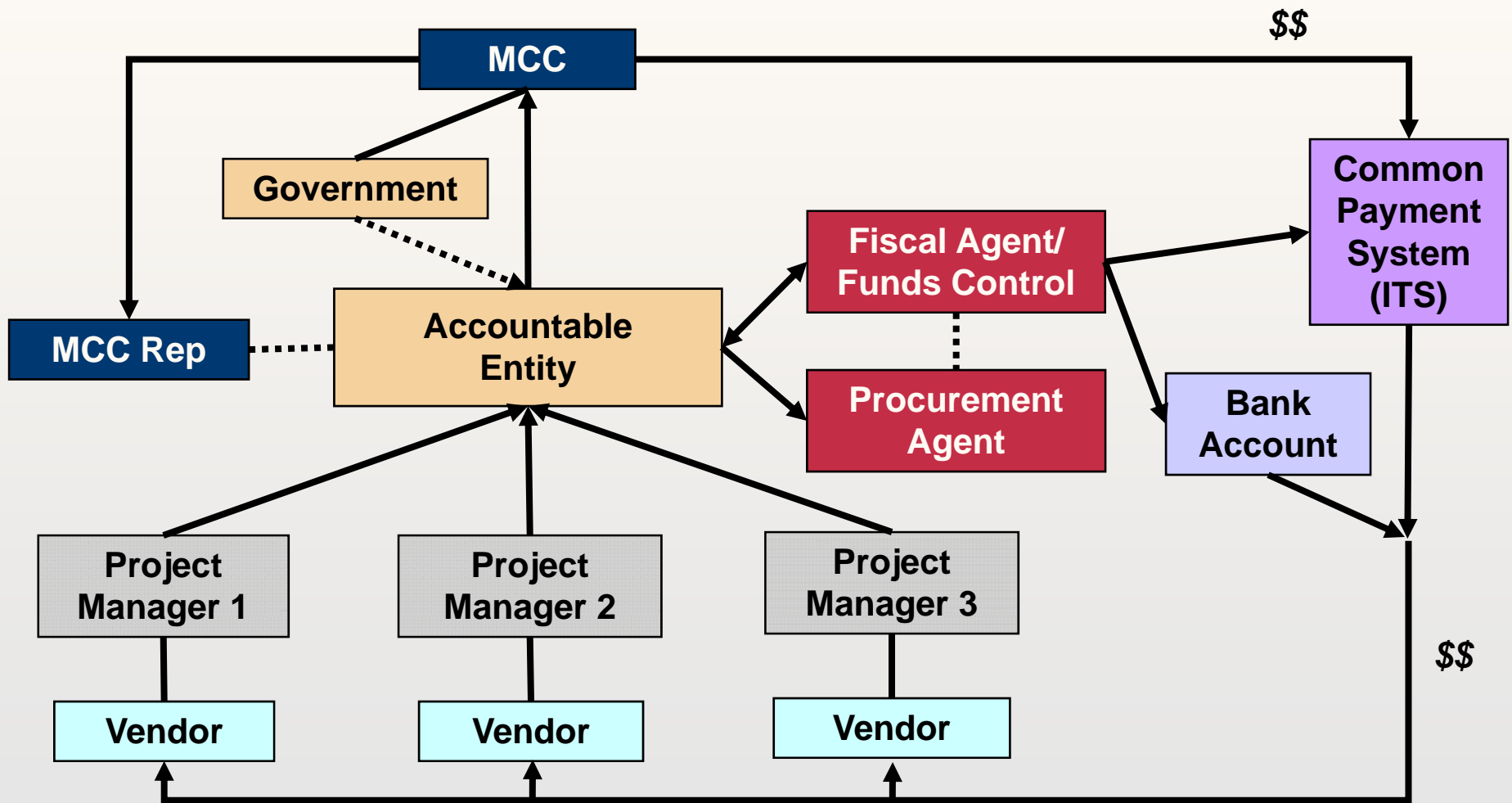
Many Open Tenders for Goods, Consulting, and Other Services

Country ▼	Notice Title	Type	Published ▼	Deadline ▼
El Salvador	PROCUREMENT OF LICENSES, EQUIPMENT, CONSULTING SERVICES AND TRAINING FOR THE INFORMATION SECURITY SYSTEM TOOL FOR SAFI	rfp	Mar 30, 2009	Apr 30, 2009
United States	Request for Expressions of Interest to Participate in Auditing Services Competition	rei	Mar 26, 2009	
Ghana	A CONSULTANT FOR PUBLIC EDUCATION AND INFORMATION DISSEMINATION UNDER THE LAND TENURE FACILITATION ACTIVITY	rfp	Mar 20, 2009	May 8, 2009
Ghana	SUPPLY, INSTALLATION AND MAINTENANCE OF LOCAL AREA NETWORKS (LAN) FOR RURAL AND COMMUNITY BANKS (RCBs) UNDER THE GRBCIP PROJECT	rfp	Mar 20, 2009	Apr 30, 2009
Ghana	SUPPLY & INSTALLATION OF PERSONAL COMPUTERS AND ACCESSORIES FOR RURAL AND COMMUNITY BANKS IN GHANA	rfp	Mar 20, 2009	Apr 30, 2009
Lesotho	HEALTH CARE WASTE MANAGEMENT (HCWM) TECHNICAL ASSISTANCE	rfp	Mar 19, 2009	Apr 30, 2009
Lesotho	HEALTH SYSTEMS STRENGTHENING, TECHNICAL ASSISTANCE	rfp	Mar 16, 2009	May 8, 2009
Burkina Faso	ADVISOR AND SHORT-TERM TECHNICAL SUPPORT TO MCA-Burkina Faso LAND TEAM	rfp	Mar 11, 2009	Apr 21, 2009

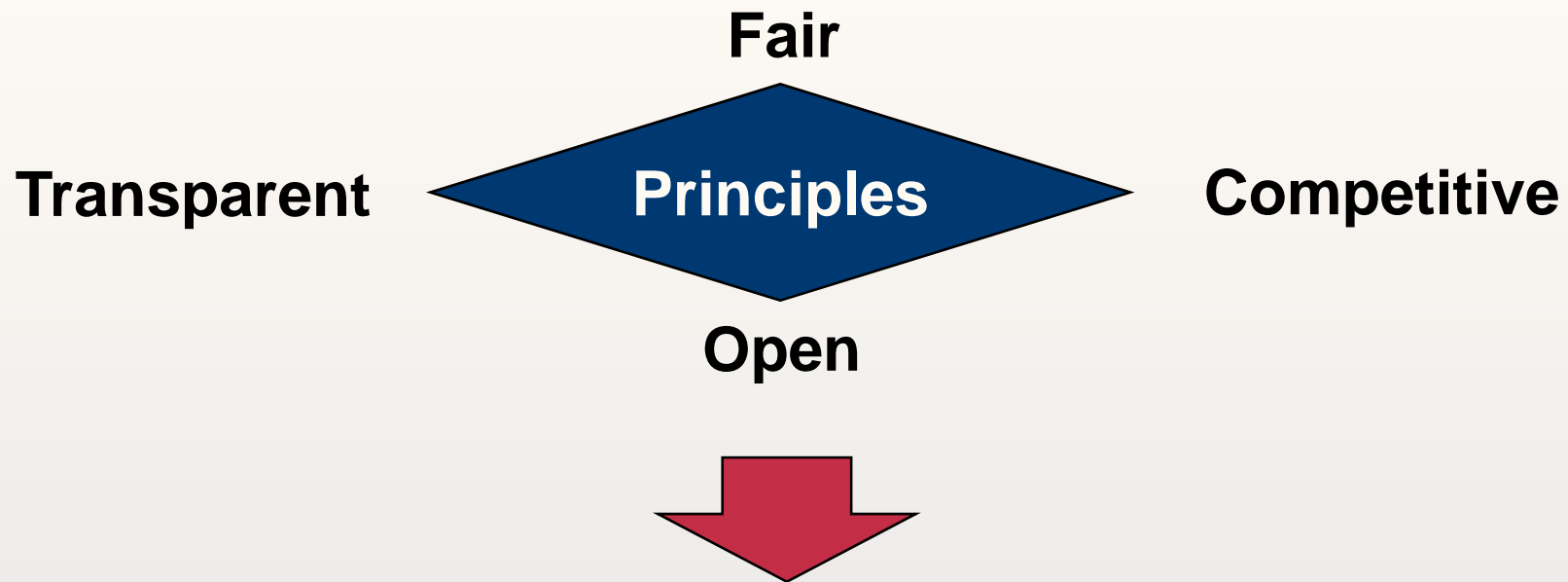
<http://www.mcc.gov/procurement/index.php>



Implementing Structure Sound Fiscal Accountability



MCC Program Procurement Guidelines



Similar to World Bank Procurement Guidelines with Important Exceptions:

- No Geographic Preferences
- US Prohibited Sources ineligible
- US or Local Currency only



Standard Bidding Documents

- In Nov 2007, MCC decided to create Standard Bidding Documents for:
 - Small works
 - Consulting services
 - Design bid build
 - Design build
 - Goods
 - And others



- Why?
 - Consistent approach
 - International standards known in the market: FIDIC
 - Cost/price management
 - Risks consistent from contract to contract
 - A bidder on a road in Tanzania can count on the same general conditions of contract if/when they bid on a road in another country

Forms of Contract

Large works

- MCC has purchased licenses from the International Federation of Consulting Engineers (FIDIC) for large works:

- Design bid build (Red Book)
- Design build (Yellow Book)



International Federation
of Consulting Engineers

- MCC General conditions – identical in all FIDIC contracts
- Conditions of Particular Application (COPAs) supplement and amend the General Conditions

Small works, Goods & Consulting services

- For these contracts MCC is using World Bank standards with minor accommodations to reflect MCC regulatory requirements.




MCC Program Procurement Guidelines: The Bid Challenge System

First Level Review: Accountable/MCA Entity
Second Level Review: Independent body



Lessons Learned

- Beware reliance on couriers (DHL, FEDEX) for bid deliveries
- Knowledge of local challenges – teaming is encouraged
- Read the requirements! Ask questions! Submit EVERYTHING requested in the bidding documents
- Bid Security required – ensure it accompanies the bid
- Advance Payment requires a bank guarantee
- Performance Guarantees required from bank acceptable to the MCA entity – budget for them!
- Price reasonableness – low bid doesn't always win if it doesn't make sense
- The SBD contract formats have been reviewed and approved by MCC –
 agree to them before bidding!

MCC Model: A Fairer Playing Field



- No preferences for U.S. or domestic contractors: **Compacts are “untied”**.
- Past experience, environmental, health, safety, labor **standards matter**.
- **Open advertisement** for shortlisting.
- Award decisions made by **technically qualified experts**.
- **Professional independent oversight** of contract performance.
- **All Compact funds are obligated** by “entry into force”.
- Contractors **paid directly by USG** through the Common Payment System.
- **Checks and balances** to guard against abusive discretion.



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