



Request for Quotation (RFQ)

Issued on **9 February 2023**

Millennium Challenge Account Nepal
on behalf of
The Government of Nepal
funded by
The United States of America
Through
The Millennium Challenge Corporation

For

**Supply and Delivery of 4WD – SUV
Vehicle**

Ref No: **MCA-N/RMP/SH/059**



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Request for Quotations for Supply and Delivery of 4WD – SUV Vehicle Ref: MCA-N/RMP/SH/059

Kathmandu, Nepal
9 February 2023

1. The Federal Democratic Republic of Nepal, acting through the Ministry of Finance (the “Government”) and the United States of America, acting through the Millennium Challenge Corporation (“MCC”), entered into a Millennium Challenge Compact on September 14, 2017, providing for a grant of up to FIVE HUNDRED MILLION United States Dollars (US \$500,000,000) to advance economic growth and reduce poverty in Nepal (the “Compact”), to which the Government will contribute up to US\$130,000,000 for a program to reduce poverty through economic growth in Nepal.
2. It includes two projects: (i) construction of about 315 kilometers of 400kV electricity transmission lines, three substations, and technical assistance for the power sector; and (ii) technical assistance to improve the road maintenance regime and road maintenance works on about 300 kilometers of the strategic road network. The program would include the procurement of contractors and consultants for design, construction and supervision of electricity lines and substations, road maintenance works, including a variety of technical services, equipment and construction works in different geographic locations within Nepal. These contracts will be procured through open international procurement procedures.
3. Millennium Challenge Account Nepal (MCA-Nepal) intends to procure one (1) Four-Wheel Drive SUV vehicle for towing purposes under the procurement “**Supply and Delivery of 4WD – SUV Vehicle**” and interested suppliers are invited to submit their quotations. The detailed technical specifications are indicated in Annex 1.
4. Clarifications: Any clarifications needed shall be submitted in written to MCANepalPA@dt-global.com; not later than **5:00 PM, 17 February 2023**. MCA-Nepal will consolidate all submitted requests for clarifications and will issue a Q&A/Clarification document not later than 23 February 2023.
5. Bidders are required to submit quotations for the goods as stipulated in the annexes to this RFQ. Prices shall be quoted Delivery at Place Unloaded – DPU (MCA-Nepal Office) (Based on Incoterms 2020) in US Dollars for the Goods and US\$ for local expenses. In addition, the Supplier shall be responsible for all cost associated with delivering of Goods to MCA-Nepal such as, service charges, unloading at destination, clearing of the goods and transportation of the goods at the following delivery point:

Millennium Challenge Account Nepal (MCA-Nepal)

Office, 2nd & 3rd Floor, East Wing, Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu, Nepal.

6. MCA-Nepal shall provide a tax exemption letter/certificate for the Supplier to clear the Goods from Customs office. MCA-Nepal requires necessary documents including Proforma Invoice in order to get tax exemption certificate from Government of Nepal. Process of getting tax exemption certificate will be initiated after MCA-Nepal obtains required information from the Supplier. Custom clearance of the Goods under this Purchase Order is done by the Supplier after obtaining exemption certificate.
7. Quotations should be presented using the standard form indicated in Annex 1 and Annex 2 of this RFQ.
8. Quotations must be submitted as per the following instructions and in accordance with Annexes 1 and 2 of this RFQ.
 - i. **Prices:** shall be quoted DPU (MCA-Nepal Office in Kathmandu, Nepal) (Incoterms 2020) in **US Dollars for the Supply and Delivery of 4WD – SUV vehicle (Sub Total A of Price Quotation Submission Form (OFFER) - Annex 2), and in US\$ (United States Dollar)** for Price for Custom clearance Services Charge, Insurance and other cost required to convey the goods to the destination (Kathmandu, MCA-Nepal Office) **(Sub Total B of Price Quotation Submission Form (OFFER) -Annex 2)** including all the cost of delivery to the place of destination. The Price Quotation Submission Form attached in Annex 2 shall be used for the submission of prices. **For evaluation purposes**, the NPR price or any other currencies will be calculated/converted in US\$ using the exchange rate (Selling Rate) published by Nepal Rastra Bank on the issuance date of this Request for Quotation (09 February 2023). The DPU (Incoterm 2020) Price also includes all other cost to be incurred outside Nepal and inside Nepal such as insurance, clearance, loading, unloading, any charges to be paid by the Supplier to deliver the Goods at MCA-Nepal address.
9. **Evaluation of Quotations and Award of Purchase Order:** The lowest total priced quotation/bid will be reviewed to check compliance with the requirements set in the Request for Quotations, if the quotation is substantially compliant to the RFQ and MCC PPG requirements, the contract (See Annex 3) will be awarded to that supplier. If the lowest priced offer is not compliant, the MCA-Nepal will review the second lowest/second-best quotation and so on and so forth. MCA-Nepal may, at its own discretion, evaluate more than one quotation to save time during evaluation. A quotation is not substantially responsive if it contains material deviations or reservations to the terms, conditions, requirement of Request for Quotations (RFQ), and specifications in this Request for Quotations, a non-responsive quotation shall not be considered for recommendation of award.

During evaluation, MCA Nepal may ask for clarification to prospective bidder about any queries on submitted documents and not responding to such clarification may be considered for non-responsiveness of suppliers

10. During the evaluation process the Bid Review Panel (BRP) will carry out arithmetic correction for only those bids who have quoted for all the items. A comparison of quotations will be carried out excluding VAT.
11. A price reasonableness assessment will be conducted. The quotation shall be rejected if the price is found to be unreasonably high or low.
12. Bidders are requested to submit with their quotation's copies of the following documents:
 - a. Firm/ Company Registration or Articles of incorporation
 - b. VAT Registration (Applicable only for Local Bidders only)
 - c. Tax Clearance Certificate up to the last FY (Applicable only for Local Bidders only)
 - d. At least three (3) years' experience in supplying similar Goods to Nepalese Market.
 - e. Authorization certificate (Letter of Authorization) from the manufacturer
 - f. Catalogue of the Proposed vehicle
13. In evaluating the quotations, the Purchaser/MCA-Nepal will adjust for any arithmetical errors as follows:
 - a. where there is a discrepancy between rate in figures and in words, the rate in words will govern;
 - b. where is a discrepancy between the unit rate and the line-item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern; and
 - c. If you refuse to accept the correction, your quotation will be rejected.
14. Bidders may challenge the results of a procurement only according to the rules established in the Bid Challenge System developed by the MCA-Nepal and approved by MCC. The rules and provisions of the Bid Challenge System are as published on the MCA-NEPAL's website at <https://mcanp.org/en/procurement/bid-challenge-system/>.
15. **Validity of Quotations:** Quotations should be valid for a period of **90 days** from the date of deadline of submission of quotations indicated in paragraph 22 below. The quotation with less validity period than required may be rejected.
16. **Delivery Time:** Within 180 days after dual signature of Purchase Order.
17. **Liquidated Damages:** The Supplier agrees that failing to deliver any or all of the Goods or to perform the installations within the period(s) specified in the Contract,

the Purchaser shall, without prejudice to its other remedies under the Purchase Order, deduct from the Contract Price, as liquidated damages, a sum equivalent to half of percent (0.5%) of the purchase order price for each week of delay in provision of Goods or unperformed Services, until actual delivery or performance, up to a maximum deduction of ten percent (10%) of the purchase order value. Once the maximum is reached, the Purchaser may consider canceling the Purchase Order. The supplier is bound to provide the amount of liquidated damages, which will be recovered from the supplier in case of their non-performance.

18. Payments for the goods:

On Shipment - For Supply and Delivery of 4WD-SUV vehicle from the Manufacturer (refer Annex 2: Price Quotation Submission Form (OFFER) - item #1)

- 100% of accepted price of the goods shall be paid through Letter of Credit that will be issued in favor of the Supplier or Manufacturer (as per the requirement), upon submission of proper documents after signing of the Contract.
- ***Upon delivery of 4WD - SUV vehicle - For Price for Inland Transportation of 4WD - SUV vehicle ((refer Annex 2: Price Quotation Submission Form (OFFER) item #2)***
 - 100% of Price for Custom Clearance and other Service Charges, Insurances, and other costs required to convey the goods to the destination (Kathmandu, MCA-Nepal Office) shall be paid upon delivery of goods at MCA-Nepal Office at 2nd & 3rd Floor, East Wing, Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu to the Manufacturer's Dealer in Nepal or to the Supplier in Nepal or abroad within 30 days of delivery and acceptance of the goods after the inspection, the issuance of a valid invoice and a goods acceptance note.

The Supplier shall submit separate invoices for the Contract amount on which tax exemption certificate is issued (the cost of Goods, Sub Total A of Annex 2, in US\$) and amount on which tax exemption certificate is not issued (Service Charge including Transportation, Insurance, loading and unloading and any other fees/charges, such as local taxes, etc, Sub Total B of Annex 2 in NPR/US\$). The Invoice for the amount for which the supplier has not received tax exemption should include amount of VAT to be paid.

19. MCA-Nepal may cancel this procurement process at any time before contract awarding without incurring cost or liability to any Supplier, and without providing any justification for said action.

20. Bidders should submit their priced quotation - signed by an authorized representative- **ONLY** via the Dropbox link provided below, with the name of the uploaded file as follows: "***Your Company Name - SUV Vehicle***".

The File request link (Dropbox link) for **submission of quotations is as follows:**

<https://www.dropbox.com/request/nloXyQ6W5ZCjPGd4C3X7>

Instruction for uploading your submission:

- Click of this link/type this link correctly in a browser.
- Click on **Choose file** (your quotation and all relevant documents and click upload)
- Click on **+Add another file** (Optional, only if you have more than one file and so on for other files)
- Enter your: **First name, Last name, and Email address**
- Click **Upload**

Done

21. Please note that the provided **Dropbox link** will expire on the **deadline for submission** indicated in paragraph 22 below, consequently no late quotations will be received.
22. Deadline for submission of quotations is **2 March 2023, at 15:00 hours local time in Kathmandu, Nepal (GMT+5:45)**.
23. **MCA-Nepal** reserves the right to reject any or all applications or offers, waive any defect or informality therein, and accept the offer which it deems most advantageous to the institution.

Yours sincerely,
For MCA-Nepal:

Khadga Bahadur Bisht
Executive Director
MCA-Nepal

Annex 1: Technical Specifications

Supply and Delivery of 4WD – SUV Vehicle

Technical Specifications and Standards:

TECHNICAL SPECIFICATIONS FOR Supply and Delivery of 4WD – SUV vehicle from Authorized Dealer.

The supply of Goods and Related Services shall comply with the following Technical Specifications and Standards:

Supplier: _____

Date: _____

Make and Model of the Offered Vehicle: _____

SN	Item Specifications	Specifications Proposed by the Bidder	Deviations, If Any
1	Year of Manufacture - 2022 or latest*		
2	Engine Type - Cylinders in Line*		
3	Color – White*		
4	Number of Cylinders – Minimum 4*		
5	Transmission – Automatic or Manual (Manual Transmission will be preferred)		
6	Engine displacement – Minimum 2200 cc, 4-WD* OR should have at least “Max Torque of 500 Nm”		
7	Steering – right hand drive, power steering*		
8	Min. ground clearance (mm) – 210 mm*		

SN	Item Specifications	Specifications Proposed by the Bidder	Deviations, If Any
9	Doors - 5 doors including back door. Central locking system*		
10	Fuel Type - Diesel and Fuel tank capacity (L) - minimum - 65*		
11	Front and rear brake- Ventilated disks*		
12	Wheel type - Alloy wheels*		
13	Seat- 7 passengers, seat material standard*		
14	Side step-Required		
15	Audio system - Required, complete: AM/FM/Bluetooth		
16	Climate control - Required, front and rear seats independent control*		
17	Owner's manual - English		
18	Rear Towing Hook - Pintle hook (shown in picture below) required but if not available should be provided and installed as an accessory by the supplier.*		
19	Spare wheels - full size		
20	Fog lamps - Required		
21	Air bag - At least 4 Air Bags including Driver, passengers.*		
22	Mirrors - Electric door mirrors (left and right) and rear-view dipping *		

SN	Item Specifications	Specifications Proposed by the Bidder	Deviations, If Any
23	Window wiper – Front* and back		
24	Power window – Required*		
25	Anti-theft system – With security alarm system*		
26	Front Mounting Bumper and Bumper Guard – Required*		
27	Fuel Consumption (Liters/kilometer) according to specification provided by the manufacturer. (Minimum 8 Km per Liter)*		
28	Manufacturer authorization certificate *		
29	Manufacturer’s warranty- Minimum 1 years (full body) or 20,000 km (fully describe the coverage of the warranty)*		

* Mandatory requirement



Note: The tow bar with all electrical connections.

ANNEX 2: Price Quotation Submission Form (OFFER)

Supply and Delivery of 4WD – SUV Vehicle Supplier: _____

Date: _____

Make and Model of the offered Vehicle: _____

1	2	3	4	5	6	7
A. DPU Cost of 4WD SUV Vehicle						
Item N°	Description of Goods (Make and Model)	Country of origin	Quantity	Unit	Unit price DPU Kathmandu in US\$	Total DPU price Kathmandu in US\$ (Col 4×6)
1	Manufacturer cost of Supply and Delivery of 4WD – SUV Vehicle		1 (One)	Nos.		
Sub Total A						
B. Price per item for inland transportation and other services required in the Purchaser’s country to convey the goods to their Final Destination						
Item N°	Description of Services	Country of origin	Quantity	Unit	Rate in US\$	Total in US\$ (Col 4×6)
2	Supplier cost of Custom Clearance and all other Service Charges, Insurance and other costs required to convey the goods to the destination (Kathmandu, MCA-Nepal Office) in relation to Item no 1 – ‘4WD – SUV vehicle supply and delivery’	NA	1 (One)	Nos.		
Sub Total						
VAT (only in Sub Total)						
Sub Total B (Subtotal with VAT)						
Total (A+B)						

We confirm that:

1. The currency of the quoted price of item number 1 of A is in US Dollar and quoted price of other items is in Nepalese Currency/ US Dollar.
2. We shall sign the Purchase Order, if issued, within three (3) days of receipt from MCA-Nepal.

3. The above-mentioned price includes all costs needed to supply the goods as per the requirement of Technical Specifications and other requirements attached with this RFQ.
4. The Quotation is valid for 90 days from the date of submission mentioned in this RFQ.
5. Attached is documentary proof of the Legal Constitution and proof of authorization of the signatory to act on behalf of the Bidder.
6. The DPU Price also includes all other costs to be incurred outside Nepal and inside Nepal such as insurance, clearance, loading, unloading, any charges to be paid to deliver the Goods at Millennium Challenge Account Nepal (MCA-Nepal) located at 2nd and 3rd Floor, East Wing, Lal Durbar Convention Centre, Yak and Yeti Complex, Durbarmarg, Kathmandu, Nepal.
7. The amount mentioned in the Item number 2 will be paid to supplier in NPR with exchange rate (published by Nepal Rastra bank selling rate), at the date of invoice.

Name of the Signatory: _____

Position of the signatory in Organization: _____

Signature: _____

Email Address: _____

Phone/Mobile No: _____

Purchase Order

Procurement Reference		
Project	RFQ No	Contract/PO No
Road Maintenance Project	MCA-N/RMP/SH/59	MCA-N/RMP/SH/59

To:

Your quotation reference quotation dated *XX XXXX 2023* is hereby accepted, and you are required to supply the goods as detailed below:

SPECIFIC TERMS OF THIS PURCHASE ORDER:

1) You are required to supply the goods as detailed below:

PURCHASE ORDER N°:		Date: XX XXXX 2023			
Purchaser: Millennium Challenge Account Nepal (MCA-Nepal) PAN: 201253803		Supply and Delivery of 4WD – SUV vehicle			
Supplier/Service Provider: XXXXX, PAN: XXXXXXXXXX					
Address: XXXX Email: Contact Name:		Tel: Cell No:	Fax:	VAT No:	
ORDER					
A. Cost of 4WD SUV Vehicle					
S.N.	Description of Goods/Services	Unit	Qty	Unit price DPU Kathmandu in US\$	Total DPU price Kathmandu in US\$
1	Manufacturer cost of Supply and Delivery of 4WD – SUV Vehicle	No	1		
Sub Total A					
B. Price per item for inland transportation and other services required in the Purchaser's country to convey the goods to their Final Destination					
S.N.	Description of Goods/Services	Unit	Qty	Rate in US\$	Total in US\$
1	Supplier cost of Custom Clearance and all other Service Charges, Insurance and other costs required to convey the goods to the destination (Kathmandu, MCA-Nepal Office) in relation to Item no 1 –	Per Vehicle	1		

	'4WD - SUV vehicle supply and delivery'				
					SUB Total
					VAT (13% of Sub Total)
					Sub-Total B
					Total (A+B)

- 2) **Contract Sum:** US\$ XXXX plus NPR or US\$ XXXX only including transportation cost/ insurance cost and any other costs incurred inside or outside of Nepal required to deliver the goods to the delivery point.

- 3) Except as may be exempt pursuant to the Compact, MCA-Nepal and all Providers, Covered Providers, Project Partners, contractors (prime contractors and subcontractors), consultants, and other entities and individuals that receive MCC funding directly or indirectly in furtherance of the Compact are exempt from Taxes or will be refunded equal amount of Taxes paid in respect of the MCC funding in accordance with Section 2.8 of the Compact available at: <https://assets.mcc.gov/content/uploads/compact-nepal.pdf>

- 4) **Custom duty:** MCA-Nepal shall provide a tax exemption letter/certificate for the Supplier to clear the Goods from Customs office. MCA-Nepal requires necessary documents including Proforma Invoice in order to get tax exemption certificate from Government of Nepal. Process of getting tax exemption certificate will be initiated after MCA-Nepal obtains required information from the Supplier. Custom clearance of the Goods under this Purchase Order is done by the Supplier after obtaining exemption certificate.

- 5) **Warranty:** All goods to be provided shall have a minimum warranty period as mentioned in the technical specifications (Annex 1).

- 6) **Delivery point and Delivery time:** The vehicle is to be delivered to Millennium Challenge Account Nepal (MCA-Nepal) Office premises at 2nd & 3rd Floor, East Wing, Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu, Nepal, and within **180 days** after dual signature of contract (Purchase Order).

- 7) **Liquidated Damages:** The Supplier agrees that failing to deliver any or all of the Goods or to perform the installations within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Purchase Order, deduct from the Contract Price, as liquidated damages, a sum equivalent to half of percent (0.5%) of the purchase order price for each week of delay in provision of Goods or unperformed Services, until actual delivery or performance, up to a maximum deduction of ten percent (10%) of the purchase order value. Once the maximum is reached, the Purchaser may consider canceling the Purchase Order. The

supplier is bound to provide the amount of liquidated damages, which will be recovered from the supplier in case of their non-performance.

8) Contract Manager: For the purpose of management of the contract/purchase order from the Purchaser's side, the Contract Manager is:

(Name and Position of Contract Manager)

Millennium Challenge Account Nepal (MCA-NEPAL)

2nd & 3rd Floor, East Wing, Lal Durbar Convention Centre,

Yak & Yeti Complex, Durbar Marg, Kathmandu, Nepal

Email:

9) Payment Conditions:

- ***On Shipment – For Supply and Delivery of 4WD-SUV vehicle from the Manufacturer (item #1)***
 - 100% of accepted price of the goods shall be paid through Letter of Credit that will be issued in favor of the Supplier or Manufacturer (as per the requirement), upon submission of proper documents after signing of the Contract, upon submission of documents specified in below.
 -
- ***Upon delivery of 4WD – SUV vehicle – For Price for Inland Transportation of 4WD – SUV vehicle (item #2)***
 - 100% of Price for Custom Clearance and other Service Charges, Insurances, and other costs required to convey the goods to the destination (Kathmandu, MCA-Nepal Office) shall be paid upon delivery of goods at MCA-Nepal Office at 2nd & 3rd Floor, East Wing, Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu to the Manufacturer's Dealer in Nepal or to the Supplier in Nepal or abroad within 30 days of delivery and acceptance of the goods after the inspection, the issuance of a valid invoice and a goods acceptance note.

10) List of appropriate documents to be delivered upon shipment/handing over the goods to transporter:

The Supplier shall fax or e-mail and send by courier the following documents to the Purchaser, with a copy to the insurance company/Bank:

- copies of the Supplier's invoice showing the shipped Goods' description, quantity, unit price, and total amount;
- original and three (3) copies of the negotiable, clean, on-board bill of lading marked "freight prepaid" and three (3) copies of nonnegotiable bill of lading;
- three (3) copies of the packing list identifying contents of each package;
- insurance certificate, showing the Purchaser as the beneficiary;
- Manufacturer's or Supplier's warranty certificate;

- certificate of origin; and
- any other specific document required for delivery, clearance and payment purposes.

The following documentation must be supplied for payments to be made:

- i). Original Invoice(s) (Submitted invoice(s) should include PAN number of MCA-Nepal);
- ii). delivery and acceptance note evidencing reception of the goods & service; and verified by the Contract Manager to confirm that the goods and services delivered are as per the signed purchase order and;
- iii). The Supplier shall produce a written document committing itself to the warranty/guaranty period as stated in this Purchase Order. This written document shall be signed and stamped by the Authorized Representative of the Supplier and shall remain in force for the full period of warranty/guaranty.

11) The Supplier shall submit separate invoices for the Contract amount on which tax exemption certificate is issued (the cost of the Goods, Sub Total A of Annex 2, in US\$) paid via letter of credit and amount on which tax exemption certificate is not issued (Service Charge including Transportation, Insurance, loading and unloading and any other fees/charges, such as local taxes, etc, Sub Total B of Annex 2, in NPR/US\$). The amount mentioned in the Item number 2 will be paid to supplier in NPR with exchange rate (published by Nepal Rastra bank selling rate), at the date of invoice. The Invoice for the amount for which the supplier has not received tax exemption may include amount of VAT to be paid. The invoice(s) must be submitted to the MCA-Nepal address.

The invoice(s) should include the VAT registration number and the name of the account holder, the account number (IBAN), bank name, bank branch and SWIFT code.

The Manufacture's Bank Details are (if applicable):

Bank Name:
 Branch:
 Bank Address:
 Account Name:
 Account No:
 Swift Code:
 IBAN (If applicable):

The Supplier's Bank Details are:

Bank Name:
 Branch:
 Bank Address:
 Account Name:
 Account No:

Swift Code:

IBAN (If applicable):

12) Failure to Perform: The Purchaser may cancel, at any time, this Purchase Order if the Supplier fails to deliver the Goods in strict accordance with the above terms and conditions. The Supplier undertakes that during the Guaranty/warranty period replacement/repair of any defective parts and equipment will be completed within fourteen days of the date of notification of the defect. Failure to perform in this contract may be the reason for rejection of the quotation/bids in future bidding process.

13) Termination for Convenience

(a) The Purchaser, by notice sent to the Supplier, may terminate this Contract, in whole or in part, at any time in its sole discretion for its convenience. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under this Contract is terminated, and the date upon which such termination becomes effective.

(b) In the case of any termination in accordance with this paragraph 13 of Specific Terms of This Purchased Order, the Goods that are complete and ready for shipment within twenty-eight (28) days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at this Contract terms and prices. For the remaining Goods, the Purchaser may elect:

(b1) to have any portion completed and delivered at the terms and prices set forth in this Contract; and/or

(b2) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services and for materials and parts previously procured by the Supplier.

14) Inspection: The Goods will be inspected at the delivery point by the Contract Manager or his representative. After inspection, if the Contract Manager deems any delivery of the Goods to not be in strict accordance with the above terms and conditions, that non-conformity shall serve as justifiable grounds to cancel this Purchase Order.

15) Start Date: Date of the last signature on the Purchase Order will be the Start Date.

For the Purchaser:
**Millennium Challenge Account Nepal/
MCA-Nepal**

For the Supplier:

Signature:

Name: Khadga Bahadur Bisht

Executive Director

Date:

Signature:

Name:

Position:

Date:

Witness:

Signature:
Name:
Date:

Witness:

Signature:
Name:
Date:

Annex 1 - Technical Specifications

Annex 2: MCC's Policy – Annex to General Provisions



MILLENNIUM

CHALLENGE CORPORATION

UNITED STATES OF AMERICA

Annex of General Provisions

Capitalized terms that are used but not defined in this Annex shall have the meaning given to them in the agreement or contract to which this Annex is attached (the “Agreement”) and that certain Millennium Challenge Compact by and between the United States of America, acting through MCC, and the Government, signed in **Kathmandu, Nepal** on **14 September 2017**, as may be amended from time to time (the “Compact”).¹ The Government, acting through **MCA-Nepal**, the legal entity established by the Government to be responsible for the oversight and management of the implementation of the Compact on behalf of the Government (the “MCA Entity”), has received a grant from MCC pursuant to the Compact and intends to apply a portion of the proceeds of the Compact to eligible payments under this Agreement, provided that (i) such payments will only be made at the request of and on behalf of the MCA Entity and as authorized by the Fiscal Agent, (ii) MCC shall have no obligations to **(supplier)**. (for the purposes of this Annex, the “Counter Party”) under the Compact or this Agreement, (iii) such payments will be subject, in all respects, to the terms and conditions of the Compact, and (iv) no party other than the MCA Entity shall derive any rights from the Compact or have any claim to MCC Funding.

A. MCC Status; Reserved Rights; Third-Party Beneficiary

1. MCC Status. MCC is a United States government corporation acting on behalf of the United States government in the implementation of the Compact. MCC has no liability under this Agreement, and is immune from any action or proceeding arising under or relating to this Agreement. In matters arising under or relating to this Agreement, MCC is not subject to the jurisdiction of the courts or any other juridical or other body of any jurisdiction.
2. MCC Reserved Rights.
 - a. Certain rights are expressly reserved to MCC under this Agreement, the Compact, the Program Implementation Agreement, and other related Compact documents, including the right to approve the terms and conditions of this Agreement, as well as

any amendments or modifications hereto, and the right to suspend or terminate this Agreement.

- b. MCC, in reserving such rights under this Agreement, the Compact or other related Compact documents, has acted solely as a funding entity to assure the proper use of United States Government funds, and any decision by MCC to exercise or refrain from exercising these rights shall be made as a funding entity in the course of funding the activity and shall not be construed as making MCC a party to this Agreement.
 - c. MCC may, from time to time, exercise its rights, or discuss matters related to this Agreement with the parties to this Agreement, the Government or the MCA Entity, as appropriate, jointly or separately, without thereby incurring any responsibility or liability to any party.
 - d. Any approval (or failure to approve) or exercise of (or failure to exercise) any rights by MCC shall not bar the Government, the MCA Entity, MCC or any other person or entity from asserting any right against the Counter Party, or relieve the Counter Party of any liability, which the Counter Party might otherwise have to the Government, MCA Entity, MCC, or any other person or entity. For the purposes of this clause (d), MCC shall be deemed to include any MCC officer, director, employee, affiliate, contractor, agent or representative.
3. Third-Party Beneficiary. MCC shall be deemed to be a third-party beneficiary under this Agreement

B. Limitations on the Use or Treatment of MCC Funding.

The use and treatment of MCC Funding in connection with the Agreement does not, and shall not, violate any limitations or requirements specified in the Compact, the Program Implementation Agreement, any Supplemental Agreement, or any other relevant agreement or Implementation Letter or applicable Laws or United States government policy. No MCC Funding shall be used for military purposes, for any activity likely to cause a substantial loss of United States jobs or a substantial displacement of United States production, to support any activity likely to cause a significant environmental, health or safety hazard, or to fund abortions or involuntary sterilizations as a method of family planning. MCC Funding shall be free from the payment or imposition of all Taxes as set forth in the Compact.

C. Procurement.

The Counter Party shall ensure that all procurements of goods, services or works under, related to or in furtherance of this Agreement shall be consistent with the general principles set forth in Section 3.6 of the Compact and in the MCC Program Procurement Guidelines. The Counter Party shall comply with the eligibility requirements related to prohibited source or restricted party provisions in accordance with U.S. law, regulations and policy, applicable World Bank policies or guidelines and in accordance with other eligibility requirements as may be specified by MCC or the MCA Entity.

D. Reports and Information; Access; Audits; Reviews

1. *Reports and Information.* The Counter Party shall maintain such books and records and provide such reports, documents, data or other information to the MCA Entity in the manner and to the extent required by Section 3.7) of the Compact, the Program

Implementation Agreement, any Supplemental Agreement, or other related Compact document, and as may be reasonably requested by the MCA Entity from time to time in order to comply with its reporting requirements arising under the Compact, the Program Implementation Agreement, any Supplemental Agreement, or other related Compact document. The provisions of Section 3.7 of the Compact that are applicable to the Government shall apply, *mutatis mutandis*, to the Counter Party as if such Counter Party were the Government under the Compact. A summary of the applicable Compact provisions referenced in this paragraph may be found on the MCC website at www.mcc.gov/guidance/compact/audits_reviews_provisions.pdf.

2. *Access; Audits and Reviews.* The Counter Party shall permit such access, audits, reviews and evaluations as provided in the Compact, including without limitation Section 3.8 of the Compact, the Program Implementation Agreement, any Supplemental Agreement, or other related Compact document. The provisions of the Compact that are applicable to the Government with respect to access and audits shall apply, *mutatis mutandis*, to the Counter Party as if such Counter Party were the Government under the Compact. A summary of the applicable Compact provisions referenced in this paragraph may be found on the MCC website at www.mcc.gov/guidance/compact/audits_reviews_provisions.pdf.

3. *Application to Providers.* The Counter Party shall ensure the inclusion of the applicable audit, access and reporting requirements in its contracts or agreements with other Providers in connection with the Agreement. A summary of the applicable requirements may be found on the MCC website at www.mcc.gov/guidance/compact/audits_reviews_provisions.pdf.

E. Compliance with Anti-Corruption Legislation.

The Counter Party shall ensure that no payments have been or will be made by such Counter Party to any official of the Government, the MCA Entity, or any third party (including any other government official) in connection with this Agreement in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (15 U.S.C. 78a et seq.) (the "FCPA") or that would otherwise be in violation of the FCPA if the party making such payment were deemed to be a United States person or entity subject to the FCPA, or similar statute applicable to this Agreement, including any local laws. The Counter Party affirms that no payments have been or will be received by any official, employee, agent or representative of such Counter Party in connection with this Agreement in violation of the FCPA or that would otherwise be in violation of the FCPA if the party making such payment were deemed to be a United States person or entity subject to the FCPA, or similar statute applicable to this Agreement, including any local laws.

F. Compliance with Anti-Money Laundering Legislation.

The Counter Party shall ensure that MCC Funding pursuant to this Agreement is not used for money laundering activities and, to that end, shall comply with any policies and procedures for monitoring its operations to ensure compliance, as may be established from time to time by the Counter Party, MCC, the MCA Entity, the Fiscal Agent, the Procurement Agent, or the Bank.

G. Compliance with Terrorist Financing Legislation and Other Restrictions.

1. The Counter Party to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide material support or resources (as defined below) directly or indirectly to, or knowingly permit any funding (including without limitation MCC Funding) to be transferred to, any individual, corporation or other entity that the Counter Party knows, or has reason to know, commits, attempts to commit, advocates, facilitates, or participates in any terrorist activity, or has committed, attempted to commit, advocated, facilitated or participated in any terrorist activity, including, but not limited to, the individuals and entities (i) on the master list of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control, which list is available at www.treas.gov/offices/enforcement/ofac, (ii) on the consolidated list of individuals and entities maintained by the "1267 Committee" of the United Nations Security Council, (iii) on the list maintained on www.sam.gov, or (iv) on such other list as the MCA Entity may request from time to time.

For purposes of this provision:

- a. "Material support and resources" includes currency, monetary instruments or other financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.
- b. "Training" means instruction or teaching designed to impart a specific skill, as opposed to general knowledge.
- c. "Expert advice or assistance" means advice or assistance derived from scientific, technical, or other specialized knowledge.

2. The Counter Party shall ensure that its activities under this Agreement comply with all applicable U.S. laws, regulations and executive orders regarding money laundering, terrorist financing, U.S. sanctions laws, restrictive trade practices, boycotts, and all other economic sanctions promulgated from time to time by means of statute, executive order, regulation or as administered by the Office of Foreign Assets Control of the United States Treasury Department or any successor governmental authority, including, 18 U.S.C. Section 1956, 18 U.S.C. Section 1957, 18 U.S.C. Section 2339A, 18 U.S.C. Section 2339B, 18 U.S.C. Section 2339C, 18 U.S.C. Section 981, 18 U.S.C. Section 982, Executive Order 13224, 15 C.F.R. Part 760, and those economic sanctions programs enumerated at 31 C.F.R. Parts 500 through 598 and shall ensure that its activities under the Contract comply with any policies and procedures for monitoring operations to ensure compliance, as may be established from time to time by MCC, the MCA Entity, the Fiscal Agent, or the Bank, as may be applicable. The Counter Party shall verify, or cause to be verified, appropriately any individual, corporation or other entity with access to or recipient of funds, which verification shall be conducted in accordance with the procedures set out in Part 10 of the MCC Program Procurement Guidelines (Eligibility Verification Procedures) that can be found on MCC's website at www.mcc.gov. The Counter Party shall (A) conduct the monitoring referred to in this paragraph on at least a quarterly basis, or such other reasonable period as the MCA Entity or MCC may request from time to time and (B) deliver a report of such periodic monitoring to the MCA Entity with a copy to MCC.

3. Other restrictions on the Counter Party shall apply as set forth in Section 5.1 of the Compact with respect to drug trafficking, terrorism, sex trafficking, prostitution, fraud, felony, any misconduct injurious to MCC or the MCA Entity, any activity contrary to the national security interests of the United States or any other activity that materially and adversely affects the ability of the Government or any other party to effectively implement, or ensure the effective implementation of, the Program or any Project or to otherwise carry out its responsibilities or obligations under or in furtherance of the Compact, the Program Implementation Agreement, any Supplemental Agreement, or other related Compact document, or that materially and adversely affects the Program Assets or any Permitted Account.

H. Publicity, Information and Marking.

The Counter Party shall cooperate with the MCA Entity and the Government to provide the appropriate publicity to the goods, works and services provided under this Agreement, including identifying Program activity sites and marking Program Assets as goods, services, and works funded by the United States, acting through MCC, all in accordance with the MCC Standards for Global Marking available on the MCC website at <https://www.mcc.gov/resources/doc/standards-for-global-marking> *provided*, any announcement, press release or statement regarding MCC or the fact that MCC is funding the Program or any other publicity materials referencing MCC, shall be subject to prior approval by MCC and shall be consistent with any instructions provided by MCC from time to time in relevant Implementation Letters. Upon the termination or expiration of the Compact, MCC may request the removal of, and the Contract Party shall, upon such request, remove, or cause the removal of, any such markings and any references to MCC in any publicity materials. MCC shall have the right to use any information or data provided in any report or document provided to MCC for the purpose of satisfying MCC's reporting requirements or in any other manner.

I. Insurance.

The Counter Party shall obtain insurance, performance bonds, guarantees or other protections appropriate to cover against risks or liabilities associated with performance of the Agreement. The Counter Party shall be named as payee on any such insurance and the beneficiary of any such guarantee or performance bond. MCC and the MCA Entity shall be named as additional insureds on any such insurance or other guarantee, to the extent permissible under applicable laws. The Counter Party shall ensure that any proceeds from claims paid under such insurance or any other form of guarantee shall be used to replace or repair any loss or to pursue the procurement of the covered goods, services, works, *provided, however*, at MCC's election, such proceeds shall be deposited in an account as designated by the MCA Entity and acceptable to MCC or as otherwise directed by MCC.

J. Conflict of Interest.

The Counter Party shall ensure that no person or entity shall participate in the selection, award, administration or oversight of a contract, grant or other benefit or transaction funded in whole or in part (directly or indirectly) by MCC Funding in connection with this Agreement, in which (i) the entity, the person, members of the person's immediate family or household or his or her business partners, or organizations controlled by or substantially involving such person or entity, has or have a financial or other interest or (ii) the person or entity is negotiating or has any arrangement concerning prospective

employment, unless such person or entity has first disclosed in writing to the parties under this

Agreement and MCC the conflict of interest and, following such disclosure, the parties to this Agreement agree in writing to proceed notwithstanding such conflict. The Counter Party shall ensure that no person or entity involved in the selection, award, administration, oversight or implementation of any contract, grant or other benefit or transaction funded in whole or in part (directly or indirectly) by MCC Funding in connection with this Agreement shall solicit or accept from or offer to a third party or seek or be promised (directly or indirectly) for itself or for another person or entity any gift, gratuity, favor or benefit, other than items of *de minimis* value and otherwise consistent with such guidance as MCC may provide from time to time.

K. Inconsistencies.

In the event of any conflict between this Agreement and the Compact and/or the Program Implementation Agreement, the term(s) of the Compact and/or the Program Implementation Agreement shall prevail.

L. Other Provisions

The Counter Party shall abide by such other terms or conditions as may be specified by the MCA Entity or MCC in connection with the Agreement.

M. Flow-Through Provisions.

In any subcontract or sub-award entered into by the Counter Party, as permitted by the Agreement, the Counter Party shall ensure the inclusion of all the provisions contained in paragraphs (A) through (L) above.

Endnotes

1. Note: For MCC Threshold Programs, all references to the compact or program implementation agreement in this Annex shall be deemed to refer to the applicable threshold program grant agreement for such threshold program.