

## **Procedure SP-1.1: “Cutting the Red Tape Policies”- Exempted Purchases- Overseas Purchases**

**A. Background.** Section 2(b)(1)(B) and Section 3 of Public Act 17-130 authorizes UConn to develop policies to allow UConn to make Overseas Purchases (as defined hereinafter) outside the typical Request for Qualifications (RFQ), Request for Proposals (RFP), and Invitation to Bid (ITB) processes. The BOT approved SP-1, providing guidelines for executing Overseas Purchases and directing the development of procedures consistent with those guidelines.

**B. Overview.** Overseas Purchases may be made under the typical RFQ, ITB, and RFP processes described elsewhere in these Sourcing Procedures and, if they qualify, may be made through other Exempted Purchases processes (such as the Emergency Purchase Procedure or Sole Source Procedure). This Procedure provides four additional options for making Overseas Purchases.

- First, Overseas Purchases at or below the Simplified Acquisition Threshold may be made on the basis of three quotations as described in Section E.
- Second, Overseas Purchases may be made from Partner Institutions as described in Section F.
- Third, Overseas Purchases for Education Abroad Programs may be made consistent with an Education Abroad Program Sourcing Review, as described in Section G.
- Fourth, Overseas Purchases may be made consistent with an Overseas Purchase Limited Source Justification, as described in Section H.

**C. Definitions.** The following capitalized terms shall have the meanings assigned below. Other capitalized terms shall have the meanings assigned elsewhere in the Sourcing Procedures.

- “Associated Purchase” is a secondary Purchase that is typically made from the same vendor as a primary Purchase. For example, when purchasing specialized equipment, maintenance services would typically be an Associated Purchase.
- “Overseas Purchase” is a Purchase (i) to be used outside of the United States and (ii) where the other party to the contract is located outside of the United States, subject to the following:
  - A Purchase is considered to be used outside the United States if: (a) in the case of goods or personal property, the goods or property is both delivered to a location outside the United States and used by UConn outside the United States; and (b) in the case of a service, if some or all of the services will be performed at a location outside of the United States for UConn employees or students in the same location.
  - A vendor is considered located outside the United States for the purposes of this procedure if the vendor has an employee supporting the Purchase in the country outside the United States in which the Purchase is to be used.
- “Partner Institutions” are any of the following that are located outside the United States and with which UConn jointly supports teaching, learning, or research programs: research institutes, laboratories, government agencies, quasi-governmental agencies, non-government organizations, members of a consortium of which UConn is a member, colleges, and universities.
- “Simplified Acquisition Threshold” is a federal procurement threshold set in Subpart 2.1 of the Federal Acquisition Regulations. The Simplified Acquisition Threshold is currently \$250,000.

#### **D. Requisitions for Overseas Purchases.**

- (1) The Requesting Department shall submit an Overseas Purchase Form (for the purposes of this Procedure only, the “Form”) with a Requisition for an Overseas Purchase desired to be made under one of the options provided by this Procedure.
- (2) The Form shall contain the following information:
  - (i) The cost to UConn of the Overseas Purchase, including any extensions and Associated Purchases.
  - (ii) A statement that, to the best of the knowledge of the submitter, there will be no need for extensions or Associated Purchases beyond those included in (i) above.
  - (iii) The proposed vendor’s location and the location in which the Overseas Purchase will be used (each determined as described in the definition of “Overseas Purchase” above), which must be in the same country.
  - (iv) If the Purchase is from a Partner Institution, the Form shall also include the documentation required under Section F(2) of this Procedure. In such event, the Form shall be signed by an individual at the level of Dean, Vice Provost, Associate Vice President, or higher, who oversees the relationship with the Partner Institution.
- (3) If the cost in (2)(i) above is at or below the Simplified Acquisition Threshold, the Purchase may be made under Section E of this Procedure.
- (4) If the Requesting Department wishes to make the Purchase pursuant to an Education Abroad Program Sourcing Review under Section G of this Procedure, the Requesting Department shall submit the executed Review together with the Requisition.
- (5) If the Requesting Department wishes to make the Purchase pursuant to an Overseas Purchase Limited Source Justification under Section H of this Procedure, the Requesting Department shall submit the executed Overseas Purchase Limited Source Justification.
- (6) Except as provided in (2)(iv) above, the Submitter of the Form must be at least at the level of Director or Department Head.

#### **E. Overseas Purchases below the Simplified Acquisition Threshold.**

- (1) The procedures under this Section E may only be utilized if:
  - The Purchase meets the definition of an Overseas Purchase;
  - The cost to UConn of the Overseas Purchase, including any extensions and Associated Purchases, is at or below the Simplified Acquisition Threshold; and
  - No further extensions or Associated Purchases will be needed (per the statement required under D(2)(ii) above).
- (2) The Purchasing Agent shall determine whether the proposed Overseas Purchases meets the requirements of Section E(1) of this Procedure, based on the information provided on the Form. If the Purchasing Agent determines that the Purchase meets such requirements, the Purchase may be made through the RFQ sourcing process described in the Sourcing Procedures (although such process is otherwise only used for Purchases up to \$50,000). The RFQ process generally requires that three quotations be obtained prior to making the Purchase.
- (3) If, subsequent to the making an Overseas Purchase under this Section E, the Requesting Department requests additional extensions or Associated Purchases that cause the total cost

of the Overseas Purchase to exceed the Simplified Acquisition Threshold, such extensions or Purchases may be made without a new RFQ, RFP, or ITB process if: (i) such additional Purchases are Exempted Purchases (such as an additional Overseas Purchase, a Sole Source Purchase, or an Emergency Purchase) and (ii) the Requesting Department submits a statement, signed by an individual at least at the level of Dean, Vice Provost, or Associate Vice President, stating that the signatory has made appropriate inquiries and has confirmed, to the extent feasible, that the additional extensions or Associated Purchases were not anticipated at the time of the original Overseas Purchase.

**F. Overseas Purchases from Partner Institutions.**

- (1) The procedures under this Section F may be used if:
  - The Purchase meets the definition of an Overseas Purchase;
  - The Overseas Purchase is from a Partner Institution or from a vendor outside the United States identified by a Partner Institution; and
  - The Overseas Purchase serves jointly-supported teaching, learning, or research programs.
- (2) The Requesting Department shall include the following in, or together with, the Form:
  - (a) A statement that the Overseas Purchase meets the requirements of Section F(1).
  - (b) An executed Memorandum of Understanding or other agreement, memorializing the relationship with the Partner Institution. If such agreement has not been approved in writing by a Director (or higher), the Purchasing Agent shall forward the agreement to an Associate Director (or higher) in Procurement Services for a determination as to whether the agreement has been adequately reviewed and approved by UConn officials.
  - (c) In the case of a Purchase from a vendor identified by a Partner Institution (as opposed to a Purchase directly from the Partner Institution), the Requesting Department shall also provide the Purchasing Agent with written evidence that the vendor has been identified by the Partner Institution.
  - (d) A description of the jointly-supported teaching, learning, or research program activities.
- (3) The Purchasing Agent shall review the Form and associated information provided and determine whether it is complete and reasonable. If the Purchasing Agent determines that the documentation is complete and reasonable, the Purchasing Agent may facilitate the Purchase.

**G. Overseas Purchases for UConn Education Abroad Programs.**

- (1) The procedures in this Section G may be used if:
  - The Purchase meets the definition of an Overseas Purchase;
  - The Overseas Purchase will be used by faculty or student participants in an Education Abroad Program overseen by UConn Global Affairs; and
  - An “Education Abroad Program Sourcing Review” (also referred to in the Procedure as a “Review”) has been approved as provided in Section G(3).
- (2) The Requesting Department shall provide the Purchasing Agent with the Review together with the Form.
- (3) Conducting Education Abroad Program Sourcing Reviews.
  - (a) A Review may be conducted, at the discretion of Global Affairs, for any Education Abroad Program. Once conducted, the Review shall remain effective for five years.
  - (b) Reviews shall be jointly conducted by Procurement Services and Global Affairs.

- (c) Reviews shall consider the extent to which it will be practical to identify greater than one qualified vendor for each Purchase for the Program in question, recognizing that UConn is required to identify as many prospective vendors as is practical. In determining whether it is practical to identify greater than one qualified vendor, the Review shall consider:
- Safety. Whether it would be practical for UConn to, without significant expense, thoroughly assess if unfamiliar vendors will provide for the safety and security of students and personnel.
  - Regulatory Environment. Whether it would be practical for UConn to, without significant expense, thoroughly assess if unfamiliar vendors will comply with foreign regulations and otherwise meet the requirements imposed by foreign governments.
  - Location. Whether it would be practical for UConn to, without significant expense, stimulate interest from unfamiliar qualified vendors considering any local impediments, such as geographic limitations, language barriers, and the absence of technology.
- (d) If the Review demonstrates that it would be impractical to identify greater than one qualified vendor for a Purchase, the Review shall permit the Purchase from any qualified vendor UConn is able to identify.
- (e) If the Review demonstrates that it would be practical to identify greater than one qualified vendor for a Purchase, but fewer than five qualified vendors, the Review may permit the Purchase on receipt of three written quotations from qualified vendors in a manner consistent with Request for Quotations procedures (notwithstanding that such process is otherwise only used for Purchases up to \$50,000).
- (f) If the Review demonstrates that it would be practical to identify five or more qualified vendors for a Purchase, the Review shall require UConn to publicly release, advertise, and post an Invitation to Bid or Request for Proposals for the Purchase in a manner consistent with Invitation to Bid or Request for Proposals procedures.
- (g) In the event Procurement Services and Global Affairs are unable to jointly agree to the Review's conclusions, final determination shall be made by the CFO. Reviews shall be signed by one official within the Provost's reporting structure and one official within the CFO's reporting structure, each at the level of Dean, Vice Provost, Assistant Vice President, or higher.
- (4) The Requesting Department shall provide the Review to the Purchasing Agent together with the Requisition and Form. The Purchasing Agent shall review the Form and associated information provided (including the signed Review) and determine whether it is complete and reasonable. If the Purchasing Agent determines that the documentation is complete and reasonable, the Purchasing Agent shall facilitate the Purchase in the manner specified in the Review.

#### **H. Overseas Purchases by Limited Source Justification.**

- (1) The procedures in this Section H may be used if:
- The Purchase meets the definition of Overseas Purchase and
  - A Limited Source Justification demonstrates that it will be impractical to identify at least five qualified vendors for the Purchase.

- (2) Overseas Purchases may, to the extent justified by an Overseas Purchase Limited Source Justification as provided hereinafter, be made after obtaining at least three written quotations from qualified vendors in a manner consistent with Request for Quotations procedures (notwithstanding that such process is otherwise only used for Purchases up to \$50,000).
- (3) The Requesting Department shall provide the Purchasing Agent with an Overseas Limited Source Justification when the Requesting Department believes it will be impractical to identify five qualified vendors for an Overseas Purchase.
- (4) Developing an Overseas Limited Source Justification.

  - (a) The Justification shall describe the reason(s) the Requesting Department believes it would be impractical to identify five qualified vendors for the Purchase. Such reason(s) may include the challenges described in Section G(3)(c) of this Procedure.
  - (b) The Justification shall describe the measures taken by the Requesting Department to determine whether it would be practical to identify five qualified vendors. These measures shall, at a minimum, include the following:

    - Other Institutions. The Requesting Department shall endeavor to determine what vendors are utilized by at least three other institutions operating in the location in question. The Requesting Department need not contact greater than five institutions in its efforts to obtain this information.
    - UConn Employees on Location. In locations where a UConn employee associated with the Purchase is stationed, the Requesting Department shall direct such employee to contact at least five prospective vendors for the Purchase to determine whether they are qualified and willing to provide the Purchase.
    - High-Value Purchases. For any Purchase with a total anticipated value of over \$500,000 or with an annual value of over \$150,000, the Requesting Department shall engage a resource in the location in question to advise UConn as to whether it would be feasible to identify five qualified vendors for a Purchase. This requirement may be jointly waived by the Provost and the CFO by their execution of the Overseas Purchase Limited Source Justification.
  - (c) Overseas Purchase Limited Source Justifications must be executed by (i) the manager or principal investigator who will be using, or overseeing the use of, the good/service in question and (ii) an individual at the level of Director, Department Head, or higher, that oversees such manager or principal investigator. The Justification must also be signed by the Provost and the CFO when a waiver of the high-value purchase requirement is requested under Section H(4)(b).
- (5) The Purchasing Agent shall review each Overseas Purchase Limited Source Justification and determine whether it is complete and reasonable. The Purchasing Agent shall acknowledge approval of the Overseas Purchase Limited Source Justification if the anticipated value of the Purchase is within the Agent's Approval Threshold; otherwise, the Purchasing Agent shall forward the Overseas Purchase Limited Source Justification to a University official with a sufficient Approval Threshold for review.
- (6) Upon approval of the Limited Source Justification, the Purchasing Agent shall ensure that the Purchase is made consistent with Request for Quotations procedures.

- I. Reporting.** Any Department that issues a purchase order for Overseas Purchases that are made under the Simplified Acquisition Process (described in Section E), from an Institutional Partner (described in Section F), through an Education Abroad Sourcing Review (described in Section G), or through a Limited Source Justification (described in Section H) shall report such Purchase to Procurement Services as provided in this Section I.
- (1) The Department shall report the initial contract and any amendments thereto, provided that the issuance of annual purchase orders need not be reported as amendments if such annual purchase orders simply effectuate the term and costs previously reported.
  - (2) All reports shall state the following:
    - The name of the vendor;
    - The location at which the goods or services provided by the vendor will be used;
    - Whether it is an initial contract or an amendment;
    - The term of the contract for the Overseas Purchase, including any available options to extend;
    - The goods or services to be purchased or leased;
    - The cost of the Overseas Purchase, including Associated Purchases and any costs that would be incurred during the extension options; and
    - In the case of an amendment, the reason for amendment.
  - (3) For each Purchase made from an Partner Institution under Section F, the reports shall also contain:
    - The name of the Partner Institution and
    - The location of the Partner Institution.
  - (4) For each Purchase made through an Education Abroad Program Sourcing Review, the report shall also contain:
    - The Education Abroad Program;
    - The effective date of the applicable Education Abroad Program Sourcing Review; and
    - The method used to identify the vendor under the Review (e.g., single source, RFQ, and RFP).
  - (5) For each Purchase made through an Limited Source Justification, the report shall also contain:
    - The method used to identify the vendor under the Justification (e.g., single source or RFQ).
  - (6) Reports shall be made to Procurement Services by September 1<sup>st</sup> of each year and shall cover the initial contracts and amendments for Overseas Purchases executed during the preceding fiscal year.
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