

Standard Operating Procedure - MGIC USA Procurement

1. PURPOSE

The Maryland Global Initiatives Corporation (MGIC) was established to support the University of Maryland Baltimore (UMB) activities and projects requiring specialized engagement and infrastructure to conduct UMB's mission globally. This includes when a sustained international presence is necessary to execute UMB research and other programs in the form of dedicated personnel, physical office space, a bank account, or similar infrastructure outside the US.

UMB departments, schools, and centers may utilize the MGIC mechanism to procure goods and services and conduct financial transactions with vendors and partners outside the United States. Because most UMB units do not have access to MGIC's Enterprise Resource Platform, Unit4, the procurement, finance procedures, and approval workflows in this Standard Operating Procedure (SOP) have been modified to ensure compliance with MGIC policies and Unit4 requirements while also maintaining accurate documentation, segregation of duties, and accountability.

The purpose of this procedure is to ensure that all MGIC procurement activities conducted on behalf of another UMB department, school, or center (hereafter referred to as Requesting Unit) are managed effectively to ensure compliance with MGIC, UMB, and US Government (USG) policies when applicable.

- When can MGIC manage international procurement needs?
 - i. If the client is UMB, and if goods or services will be delivered primarily outside the US, then the MGIC mechanism may be used.
 - ii. If the action/transaction poses a threat of potential or actual liability of UMB or the State of Maryland outside the US, then the MGIC mechanism may be used to protect UMB from liability.
 - iii. If there are other major risks or costs that make it unwise for UMB to take an action, then MGIC may be used.

Note: If MGIC procures goods or services on behalf of UMB, MGIC will send the Requesting Unit an invoice for reimbursement of expenses paid. Normally the MGIC invoice must be processed as a Non-PO through UMB, to be paid by State Treasury. MGIC USA's payment and reimbursement process is described in a separate SOP.

2. ROLES AND RESPONSIBILITIES OF IO AND REQUESTING UNITS

Responsibilities of the International Operations (IO) Department

The IO International Procurement Senior Specialist (hereafter called the Procurement Lead) has the primary responsibility of ensuring that these processes are implemented for MGIC USA and remain adequate for their intended purpose. The IO Procurement Lead also has the primary responsibility for

providing the information from which documentation of the processes and activities can be compiled and for initiating action to keep them up to date. However, all departmental staff members are responsible for implementing and ensuring that these procedures are followed.

The IO International Finance and Procurement Manager will make sure that the workflow has been followed and that the transaction is supported with the required level of documentation.

The IO procurement team is responsible for following MGIC policies and procedures when acquiring goods and services outside the U.S. for UMB Requesting Units. The core activities of the team include:

- i. Initiating the Online PRF
- ii. Managing Solicitation (RFQ / RFP) and Bidding
- iii. Preparing the Comparative Bid Analysis
- iv. Documenting and securing approvals for Selection & Award
- v. Processing Contract or Purchase Order

The Requesting Unit is responsible for:

- i. Preparing and submitting approved offline Purchase Requisition Form to IO
- ii. Providing technical criteria and other inputs to Required Specifications or Scope of Work where appropriate.
- iii. Participating in Bid Opening Committee where applicable.
- iv. Providing Sole Source Justification where applicable.

3. PROCEDURES

STEP 1: Complete Purchase Requisition Form (PRF)

Requesting Unit prepares a Purchase Requisition Form (PRF) using an “offline” template from MGIC. The offline PRF will be provided by the IO team, and soon will be available on the Global Hub website.

The Requesting Unit completes the required information and obtains the following approval signatures from UMB employees within the Requesting Unit:

- i. Requestor:
 - a. This role is held by an employee of the Requesting Unit who is managing or assisting the manager of a project that requires the purchase of goods and services outside the U.S. This employee initiates the process by completing a Purchase Requisition Form (PRF) in which the requestor details the technical specifications, indicates the award/class (project) to which the expenditure will be charged, and describes the business purpose.
- ii. Supervisor:
 - a. This role is held by an employee of the Requesting Unit senior to the Requestor, who has awareness of the project to confirm the accuracy and need for the procurement, and who has the authority to commit the university to a financial obligation or contractual agreement under the project. By approving the PR, the manager accepts responsibility that:

1. The expense is allowable, reasonable, and allocable to the funding source to be charged.
 2. The technical specifications are correct and adequately detailed, such as:
 - a. If replenishing stock, ensure that items are not already in stock and provide a written justification of quantities to be purchased.
 - b. If related to a training or other event, supply a list of potential attendees to support the number of people attending if available.
 - c. If requested by an external agency, such as the sponsor or Ministry of Health, supplying any supporting documentation of that request.
 - d. Supplying any communication or documentation discussing the nature of the procurement.
- iii. Finance:
- a. This role is held by an employee of the Requesting Unit with the authority to confirm budget availability and compliance with the regulations, terms, and conditions of the project Sponsor (donor) or relevant partnership agreement.

STEP 2: Send completed offline PRF to IO

The Requesting Unit emails the fully signed PRF to IO. Typically, the Requesting Unit will have had prior discussions with relevant IO staff to understand the context, confirm the appropriateness of MGIC to support the Unit's needs, and clarify these SOPs, before a PRF is submitted. This initial outreach and follow-up will normally already have a ticket and technician assigned in the Global Hub Service Desk and Requesting Units will be encouraged to submit their signed offline PRF through the ticketing system.

STEP 3: Create Unit4 Purchase Requisition (online PR)

The IO Procurement team shall convert the offline PRF to online PR in the Unit4 system.

- i. Requestor: This role is held by an IO employee who is managing procurement or assisting the procurement senior specialist of IO. The Requestor reproduces the information from the offline PRF which was submitted by the Requesting Unit, into the corresponding fields in the Unit4 Requisition page as described in MGIC's Unit4 guidelines.
- ii. Supervisor: This role is held by an employee of IO senior to the Requestor who has awareness of the project to confirm accuracy of the data entered the Requisition page and to verify all approvals from the Requesting Unit appear on the offline PRF. By approving the PR, the IO supervisor accepts responsibility that:
 - a. The Online PR is supported with signed Offline PRF
 - b. The expense is within MGIC policy
 - c. The expense is reimbursable from the Requesting Unit
- iii. Finance: An employee of IO holds this role to verify that the Requesting Unit has confirmed funds are available to process the payment.

STEP 4: Conduct Procurement Cycle

The Procurement Cycle is managed by an IO employee who starts the Procurement process once the online PR is fully approved through the Unit4 workflow. It includes the following steps:

- i. Solicitation: The IO Procurement Lead initiates the solicitation and works with the Requesting Unit to incorporate elements that are appropriate and applicable to the need. The Requesting Unit develops the required specifications, term of reference (TOR), time and place of performance, estimated cost if known, and other information needed for the programmatic content of the Solicitation, if these have not already been sufficiently detailed in the PRF. The IO Procurement Lead produces the solicitation document following MGIC's templates.
 - a. If a competitive process is required under MGIC policy and sole sourcing is not advisable (see Step 5 below), the IO Procurement Lead publishes bidding documents through either a Request for Quotations (RFQ) or a Request for Proposals (RFP).
- ii. Bid Opening:
 - a. The IO Procurement Lead opens the bids or proposals received in front or close coordination with a pre-assigned Bid Committee. The Bid Committee will have a minimum of three persons of which at least one should be from the Requesting Unit if possible.
- iii. Comparative Bid Analysis (CBA) Report:
 - a. The Bid Committee will meet and evaluate each received bid for responsiveness, completeness, and scoring against the specifications or requirements identified in the RFP/RFQ. The Bid Committee complete the required information on the CBA sheet and identifies the best offer based on an objective and impartial analysis, facilitated by the IO Procurement Lead.
 - b. The IO Procurement Lead will document the selection based on the Committee's decision and sign the CBA Report.

STEP 5: Determine Sole Source requirement, if applicable

MGIC must make a reasonable effort to obtain at least three bids for a procurement valued at US\$3,500 or higher, as required by policy. Acceptable reasons for sole sourcing are:

- i. The supplier is absolutely the only source of the required goods or services.
- ii. Services, requirements, or product specifications can be met by only one vendor.
- iii. Compatibility or standardization of existing supplies or systems is necessary and justified, including to meet technical requirements.
- iv. Other suppliers did not respond to the solicitation, despite a good-faith publicity effort.

Procurements with sole-source justifications are presented on a Sole-Source Justification Form and accompany the CBA report, which also provides an explanation for not having three or more qualified vendors.

When sole sourcing is justifiable:

- i. The Requesting Unit shall provide IO with the contact details of the service provider that is already known to have the unique qualifications to perform the work, as described in MGIC's procurement policy. The Requesting Unit is responsible to negotiate costs, deliverables, and quality acceptance conditions when Sole Source providers are pre-identified by the Requesting Unit.

- ii. The IO Procurement Lead will prepare the sole source memo with inputs from the Requesting Unit describing why the selected provider is the only viable source of expertise or product for this scope of work.
- iii. MGIC signs the Sole Source memo to avoid conflict of interest.

STEP 6: Approve vendor selection

- i. The IO Procurement Lead will prepare the Procurement Evaluation Memo following MGIC's template. The Memo summarizes the procurement process that was followed, the selection committee's decision and justification, and the sole source justification as applicable.
- ii. The Procurement Evaluation Memo, the signed CBA form, the sole source justification memo (if applicable), the bids or quotes received (if applicable), and the RFQ/RFP document (if applicable) are uploaded into Unit4 by the IO Procurement Lead for the CBA workflow approval, following MGIC's approval authorities for Client 10.
- iii. All procurements valued at US \$5,000 or higher require approval at this stage by the IO Department Head, and those \$ 10,000 or higher require the MGIC President's approval. Approvers will give special attention to sole-source procurements to confirm reasonableness of the justification.
- iv. Foreign Entity Sanctions verification: The IO Procurement Lead will screen the foreign vendor, contractor, or organization on behalf of UMB, using MGIC's access to commercial regulatory compliance software, as required for both MGIC and UMB to comply with OFAC export controls and sanctions laws.

STEP 7: Complete Award

Once the procurement has been approved in Unit4 with all supporting documentation uploaded as described above, the IO Procurement Lead, will issue the Service Contract or Purchase Order (PO) to be signed offline, typically through DocuSign, by the authorized personnel of MGIC and vendor. If required, IO will also produce an Engagement Letter as a supplement to the service contract.

The procurement process concludes here and the payment process will start which is managed by IO International Finance.

NOTES

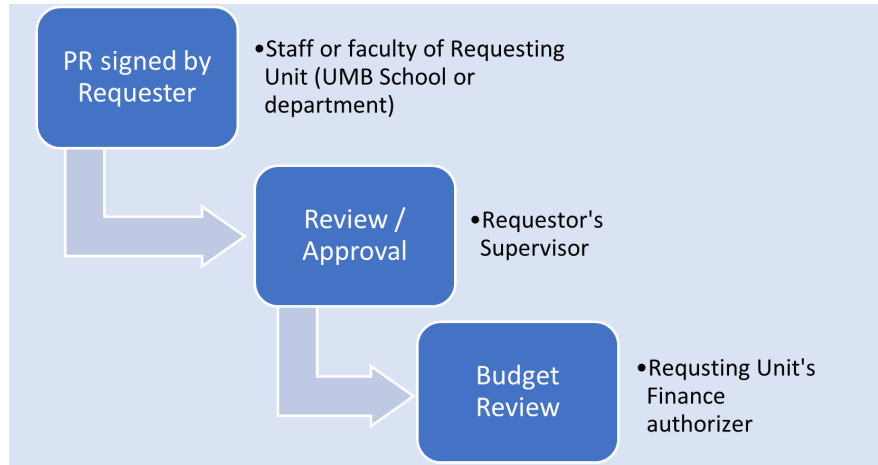
The IO International Procurement Senior Specialist does not have authority to approve Purchase Order (PO), Contract, Engagement letter, or any document that holds MGIC or IO accountable for Payment.

All procurement processes completed on behalf of a UMB Requesting Unit must follow MGIC policies. Any deviations from the standard contract terms and conditions must be approved by IO and may require consultation with local legal counsel at the Requesting Unit's expense. The signatory of or person completing any procurement document written in a foreign language must provide an English translation.

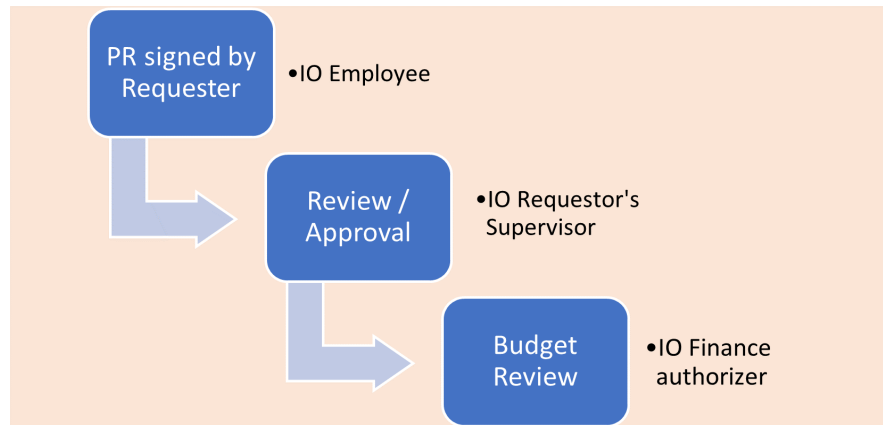
4. SUMMARY OF REQUESTING UNIT'S RESPONSIBILITIES THROUGHOUT PROCUREMENT PROCESS

- a. Contact the Global Hub (globalhub@umaryland.edu) to request procurement services. Provide as much information as possible including the type of service or goods needed, location and estimated date, estimated cost, and existing agreement or scope of work if available.
- b. Complete the offline Purchase Requisition Form. (MGIC USA template available from IO).
- c. Participate in developing scope of work and other inputs for an RFQ or RFP.
- d. Participate in a Bid Committee and sign the Comparative Bid Analysis sheet.
- e. Contribute inputs to Sole Source Justification memo if applicable.
- f. Manage the contracted vendor or service provider carefully throughout the project, and be responsible for confirming quality of work, timeliness, and completion of deliverables as described in the contract/agreement prior to payment.

Workflow chart for Offline Purchase Requisition Form (PRF) completed by Requesting Unit:



Workflow chart for Online PR completed by International Operations Department:



The MGIC Procurement Cycle upon approval of the PRF:



MGIC Procurement Thresholds & Requirement (Procurement Level)	Requirements for Completion Prior to Procuring (In addition to approvals)
Less than US \$200 (Up to \$199.99)	<ul style="list-style-type: none"> ● Purchase Requisition ● No Purchase Order (PO) or Procurement Agreement required ● US government (USG) compliance check required <i>(completed by International Operations (IO) for UMB units)</i>
From US \$200 to \$3,499.99	<ul style="list-style-type: none"> ● Purchase Requisition and PO/Procurement Agreement required ● Payment by check or bank transfer ● Competitive process not mandatory ● USG compliance check required <i>(completed by IO for UMB units)</i>
From US \$3,500 to \$4,999.99	<ul style="list-style-type: none"> ● Purchase Requisition and PO/Procurement Agreement required ● Competitive bidding or sole-source justification required ● Procurement committee recommended ● USG compliance check required <i>(completed by IO for UMB units)</i>
From US \$5,000 to \$9,999.99	<ul style="list-style-type: none"> ● Purchase Requisition and PO/Procurement Agreement required ● Competitive bidding or sole-source justification required ● Procurement committee recommended ● USG compliance check required <i>(completed by IO for UMB units)</i>
From US \$10,000 to \$34,999.99	<ul style="list-style-type: none"> ● Purchase Requisition and PO/Procurement Agreement required ● Competitive bidding or sole-source justification required ● Procurement committee required ● USG compliance check required <i>(completed by IO for UMB units)</i>
From US \$35,000 to \$99,999.99	<ul style="list-style-type: none"> ● Purchase Requisition and PO/Procurement Agreement required ● Advertising recommended ● Competitive bidding or sole-source justification required ● Procurement committee required ● USG compliance check required <i>(completed by IO for UMB units)</i>
From US \$100,000 or more	<ul style="list-style-type: none"> ● Purchase Requisition and PO/Procurement Agreement required ● Advertising required ● Competitive bidding or sole-source justification required ● Procurement committee required ● USG compliance check required <i>(completed by IO for UMB units)</i>