

**VII. STANDING COMMITTEE****B. Finance, Audit and Facilities Committee**International Fiscal and Logistics ServicesRECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents authorize the President or his designee to execute contracts to provide as-needed international fiscal and logistics services with the following firms: PricewaterhouseCoopers SV; Polaris International; and Wells Fargo Bank.

BACKGROUND:

University of Washington departments conduct educational and research programs worldwide. For small operations, it generally has been feasible to issue field advances to UW staff leading the activities overseas. For larger and longer term projects, this approach is difficult because of challenges establishing personal banking accounts, especially in developing countries. The burden of record keeping and funds management falls on the individual and his or her department.

One such project, in the Department of Medicine, is the International Training and Education Center on HIV (I-TECH), with funding from several federal agencies. The mission of I-TECH is to provide clinical care and treatment for HIV/AIDS, and is a way for federal sponsors to make resources and expertise available to developing countries. The scope of services that I-TECH will provide is significantly greater than the type of overseas education and research programs University departments have typically pursued.

Financial Management, working with I-TECH administrators, identified a range of fiscal and logistic services that are required to support I-TECH and other University programs overseas. The University issued a competitive solicitation and eight firms were invited to submit proposals. Three firms responded and all were determined to be qualified to provide at least some portion of the services needed. Therefore, it is recommended that the University execute contracts with each of the three firms so that they are available to provide services as needed, and the University can draw on the strengths of a particular firm depending on the location and type of services needed for each project.

I-TECH anticipates spending as much as ten million dollars through these international service mechanisms during the next eighteen months, and the fees to be paid for the services are projected to exceed one million dollars. Key services that could be provided include:

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- In-country fiscal mechanisms for expending funds as authorized for UW work;
- Transfer of funds from US to in-country banks in accordance with international transaction laws and practices;
- Ensure that funds are disbursed with proper authorization, and that in-country employment and tax laws are observed;
- Ensure most favorable exchange rates apply to UW transactions;
- Coordinate with the University for compliance monitoring and financial oversight;
- Ensure compliance with U.S. tax laws for international transactions and with the laws and other compliance or registration requirements in the jurisdictions in which these activities take place.

Actual services will be dependent upon the needs of the project(s) and resulting service agreements with the firms will detail specific scopes of work and periods of performance. The underlying contracts will be on-going and be reviewed annually for satisfactory performance. Campus departments and research grants and contracts will utilize the international fiscal and logistics services as approved by Financial Management.

Funding for each international program and project varies, with the majority coming from federal grants and contracts. For example, I-TECH funding currently includes grants from US Health Resources and Services Administration, the US Centers for Disease Control and Prevention, Global AIDS Program, and the US Agency for International Development. This approach to supporting foreign research projects using outside firms is supported by the WA State Treasurer's Office, who will receive communication and approval requests from UW Financial Management, as needed. This purchase has been approved by the Vice President for Financial Management and the Executive Vice President.