

Foreign Acquisitions



Foreign Acquisitions

- How do I add vendor to CCR?
- What if vendor doesn't have a US TIN or DUNS #? How do I add to NBS Vendor table?
- What regulations apply?
- Other considerations

How to register in CCR

- Company needs to obtain a North Atlantic Treaty Organization (NATO) CAGE Code (NCAGE) which will provide a Cage Code so that a DUNS number can be assigned

[http://www.dlis.dla.mil/Forms/Form_AC135.a
sp.](http://www.dlis.dla.mil/Forms/Form_AC135.asp)

- Help information: call +9269 9617766 (DSN 551-5757) or send a message to [NCAGE@dla.mil.](mailto:NCAGE@dla.mil)

How long does it take?

A: Generally, 24-48 hours (or 1 business day) of D&B receiving the request. If a DUNS number was requested and it has not yet been received, send an e-mail to govt@dnb.com.

CCR Address Changes

- If a non-U.S. contractor's address changes, the NCAGE code record must be updated by contacting the NATO POC for that country. To change your address with D&B, use the web form.
- The DUNS number usually stays same even if firm moves to a different country.

D&B Monitoring

- D &B monitors changes in Entity Name, Tradestyle/DBA, Physical Address and Business Status (i.e. in or out of business) for CCR registrants who are in "monitored" countries. (99% of CCR's registrants). CCR is notified of changes to D&B records within 24-48 hours of the change being made at D&B.
- D&B help: ccrhel@dnb.com

D&B Monitored Countries

Andorra *Australia *Austria

Belgium *Canada *Denmark

Finland *France *Germany *Hong Kong

Ireland *Italy *Japan

Luxembourg *Monaco *Netherlands

New Zealand *Norway *Portugal

San Marino *Singapore *Spain *Sweden

Taiwan *United Kingdom *USA

How do I add a foreign vendor to the NIH Vendor Tables?



The **good** news is that most foreign vendors doing business in US have a TIN/SSN – use standard process to add to NBS vendor tables

Vendors w/o TIN #s

If vendor doesn't have a TIN/SSN than use NBS JOB AID titled "Addition of CCR Foreign Vendors to NBS Vendor Table. You can find this under **NIH Vendor Requestor** dated December 2007. The Job Aid is very detailed with **21** steps.

Shortcut follows:



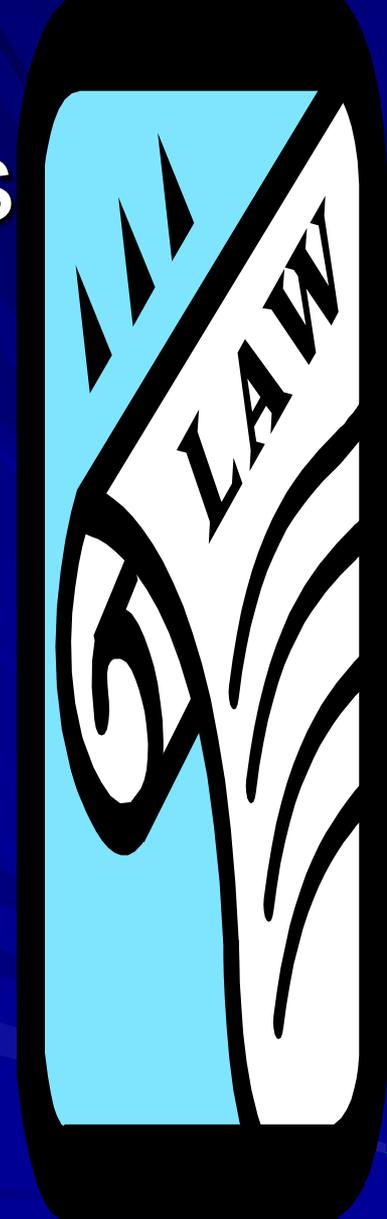
9999

- If vendor is CCR registered
- Then, Use the CAGE Code and add 9999
- That's:

■ 99999

Rules and Regulations

- Most FAR and DHHS regulations (exceptions discussed below) apply to foreign vendors.
- This includes: FBO advertising, CCR, full and open competition and meeting solicitation requirements



Of Special Interest

- FAR Part 25 – Foreign Acquisitions
- Buy American Act (only for supplies and construction materials – not services)
- Trade Agreement Acts
- Israeli Trade Act
- 52.225-13 – Restrictions on Certain Foreign Purchases

Part 25—Foreign Acquisition

- 25.1 Buy American Act—Supplies
- 25.2 Buy American Act—Construction Materials
- 25.4 Trade Agreements
- 25.5 Evaluating Foreign Offers—Supply Contracts
- 25.7 Prohibited Sources
- 25.8 Other International Agreements and Coordination
- 25.9 Customs and Duties
- 25.10 Additional Foreign Acquisition Regulations
- 25.11 Solicitation Provisions and Contract Clauses

25.002 Applicability of Subparts

The following table shows the applicability of the subparts. Subpart 25.5 provides comprehensive procedures for offer evaluation and examples.

Subpart	Supplies for Use		Construction		Services Performed	
	Inside U.S.	Outside U.S.	Inside U.S.	Outside U.S.	Inside U.S.	Outside U.S.
<u>25.4 Trade Agreements</u>	X	X	X	X	X	X
<u>25.7 Prohibited Sources</u>	X	X	X	X	X	X
<u>25.8 Other International Agreements and Coordination</u>	X	X	—	X	—	X
<u>25.10 Additional Foreign Acquisition Regulations</u>	X	X	X	X	X	X
<u>25.11 Solicitation Provisions and Contract Clauses</u>	X	X	X	X	X	X

A vertical strip on the left side of the slide shows a close-up of the American flag, featuring the stars and stripes. The background of the slide is a dark blue with diagonal lines.

Buy American Act

- Applies to all supplies above micropurchase
- Requires that federal government buy only domestic products for US use unless:

Trade Agreements



- If US has trade agreement than CO must consider the foreign item on equal basis with domestic product and there is no preference for US product.

Applicable Dollar Thresholds

Trade Agreement	Supplies (equal to or exceeding)	Services (equal to or exceeding)	Construction (equal to or exceeding)
World Trade Organization	\$194,000	\$194,000	\$7,443,000
Free Trade Agreements:			
NAFTA	\$25,000	\$67,876	\$8,817,449
CAFTA FTA	\$67,876	\$67,876	\$8,817,449
FTA	\$67,826	\$67,826	\$7,443,000
FTA	\$67,826	\$67,826	\$7,443,000
FTA	\$67,826	\$67,826	\$7,443,000
FTA	\$67,826	\$67,826	\$7,443,000
FTA	\$194,000	\$194,000	\$7,443,000
FTA	\$194,000	\$194,000	\$8,817,449
Israeli Trade Act	\$50,000	N/A	N/A

Buy American Act exceptions

- CO determines price of lowest domestic item is unreasonable
- Public interests precludes domestic preference (HCA determination)
- Item is not available in US
- Amount exceed thresholds in table above and US has trade agreement with that country – if so:

Determining reasonableness of domestic offer

If domestic offer not low offer and Buy American Act applies, CO adds to the price of the low foreign offer, inclusive of duty –

6%, if lowest domestic offeror is a large business

12%, if lowest domestic offeror is a small business

52.225-13 Restrictions on Certain Foreign Purchases



Prohibits most purchases from Cuba, Iran, Sudan and North Korea. See OFAC's List of Specially Designated Nationals and Blocked Persons at <http://www.treas.gov/offices/enforcement/ofac/sdn..>

Other issues to consider

- 1) How to help a new foreign contractor
- 2) Currency and Customs



What foreign vendors may not know



- FBO and CCR requirements
- How RFQ's are structured and where to look for specific information such as evaluation criteria
- Importance of meeting proposal due dates
- Clauses or practices like prompt payment, disputes, termination and sealed bidding

Did you know?



**The FAR is printed
in several
languages, among
them Spanish,
German, and Italian.**

How to help a vendor new to NIH



- Guides to contracting
- HHS's OSDBU guide:
<http://www.hhs.gov/osdbu/publications/howto97/index.html>.
- The Department of State's guide:
<http://www.state.gov/m/a/sdbu/pubs/c13313.htm>.

Currency Conversion



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enter any amount

Euro - EUR
United States Dollars - USD
United Kingdom Pounds - GBP
Canada Dollars - CAD
Australia Dollars - AUD

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United States Dollars - USD
Euro - EUR
United Kingdom Pounds - GBP
Canada Dollars - CAD
Australia Dollars - AUD

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To start, simply type the value of currency to convert in the amount box. You may include commas and a decimal point. Next, select the source and destination currencies using the scrolling selection boxes. Currencies that are obsolete – or that are being phased out -- will be indicated by an asterisk (*). When you are finished, push the "Perform Currency Conversion" button, and the results of your conversion will be displayed.

For ease of use, the top ten currencies sorted by popularity are listed first. Next come the top 85 currencies sorted by country name. Special units and precious metals are listed both alphabetically as well as in their own sections at the end of this list. If you need more currencies, you can get **every world currency** through the XE.com [Full Universal Currency Converter](#).

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Simplified Acquisition
Symposium, April 1, 2008



The Ugly American?

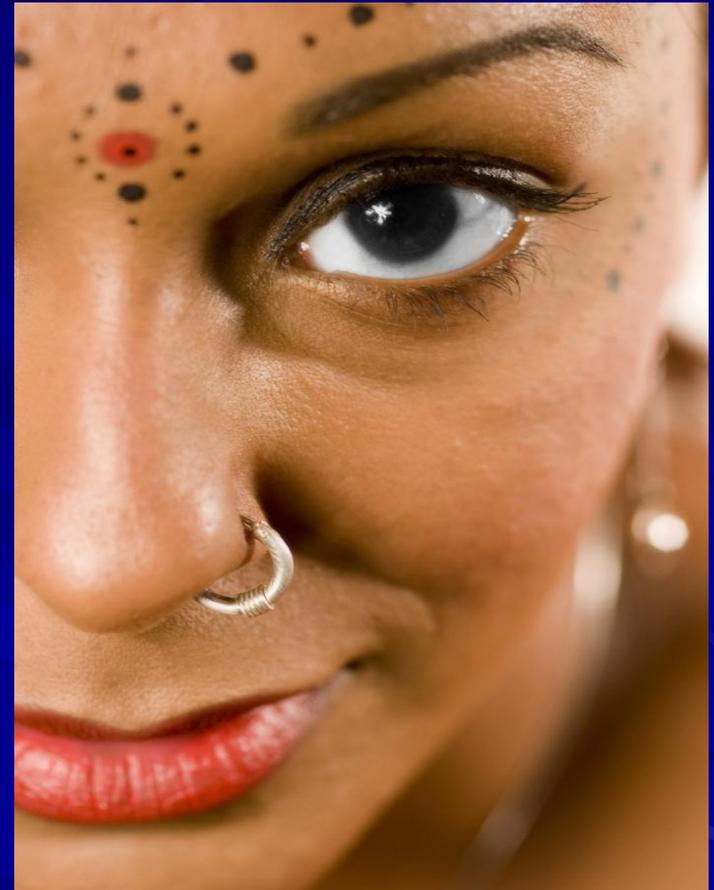
- "Americans are way too informal in their dealings with their counterparts abroad, and they end up perceived as uncouth and even obnoxious,...Innocence, stupidity or arrogance make them behave in Cyprus the way they would in Cleveland."

P.M. Forni



Eye Contact

- In some Asian & African countries direct eye contact is seen as rude or a sexual advance
- However, in the Dominican Republic not maintaining eye contact shows boredom.



Faux Pas

- Argentina
- It is rude to ask people what they do for a living. Wait until they offer the information.
- Scotland
- Asking about family may be considered “too personal”



Shaking Hands



**Touching a
person of
the
opposite
sex is
frowned on
in many
cultures
including
Vietnam**



Rude gestures

- India – Winking (sexual advance)

- Egypt

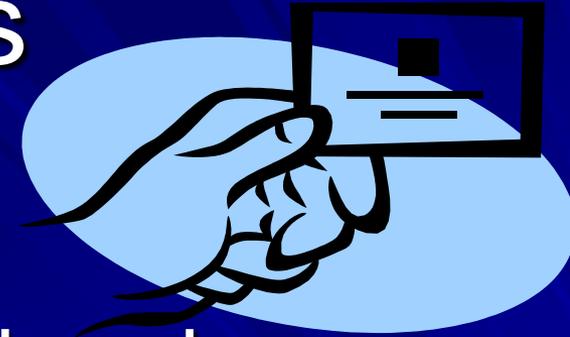
 - Thumbs up sign.

 - Showing the sole of your foot or crossing your legs when sitting is an insult.

- Greece - Holding up five fingers with the palm facing outward (as if to hail a taxi).



Business Cards



- Japan
- Never write on a business card or shove the card into your back pocket when you are with the giver. This is considered disrespectful. Hold the card with both hands and read it carefully. It's considered polite to make frequent apologies in general conversation.

A Final Word from France



- Always remain calm, polite and courteous during business meetings. Never appear overly friendly, because this could be construed as suspicious. Never ask personal questions.

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