

Regulation No.

TO REGULATE ALL PURCHASES UNDER THE PROVISIONS  
OF ACT NO. 96 of JUNE 29, 1954

I N D E X

		PAGE
SECTION I	Legal Basis	1
" II	Purpose	2
" III	Jurisdiction	2
" IV	Definition of Terms	3
	A. Area	3
	B. Administrator	3
	C. Agency	3
	D. Purchase	3
	E. Public Calls for Bids on Purchases	3
	F. Public Calls for Bids on Sales	4
	G. Official Deputy Buyer	4
	H. Emergency	4
	I. Urgency	4
	J. Specifications	5
" V	Calls for Bids on Purchases	5
	A. Suppliers' Registry	5
	B. Calls for Bids	5
	1. General Rules	5
	2. Obligations of Bidders	7
	3. Obligations of Petitioning Agencies	8
	4. Conflicts between the Area and the Petitioning Agency	11

	PAGE
SECTION V (cont.)	
5. Cancellations of Calls for Bids and Bids	12
6. Special Contracts	12
a. Contracts of Undetermined Quantities	12
b. Contracts of Multiple Items	12
c. Repeating Contracts	13
C. Filing of Bids	14
1. Intervention of Area Personell	14
2. Types of Proposals	14
a. Various Proposals by the same Bidder	14
b. Alternate Proposals	14
c. Basic Proposal	14
d. "All or Nothing" Proposal	14
e. "Lump Sum" Proposal	15
3. Allowed Bidders	15
4. Proposal Envelopes	15
5. Form and Contents of the Bidding Forms	16
6. Deliveries	17
7. Changes in Proposals	17
8. Withdrawal of Proposals	17
9. Modified Proposals	18
D. Bid Auction	19
E. Awarding of Bid	19
a. Lowest Bidder	20
b. Refusal of Lowest Bid	20
2. Term of Delivery as Main Factor	20

	PAGE
SECTION V (cont.)	
3. Discounts on Quick Payments	21
4. Awarding by Items	21
5. Sole Proposal	22
6. Equal Offers	22
7. Complete Refusal	23
8. Permissible Irregularities	24
9. Purchase Orders	24
10. Bond	24
F. Penalties to Bidders for Breach of Contract	25
G. Billing by Sellers	26
H. Quick Payments Discounts	27
I. Impugnations or Appeals	27
SECTION VI	
Exceptions to the Call Process	28
"    VII	Negotiated Purchases 29
"    VIII	Deputy Buyers 31
"    IX	Purchases From the Purchase and Supply Area 33
1. Purchase of Materials	33
2. Request for Printing and Binding Services	34
3. Request for Services from the Office Equipment Repair Shop	35
"    X	Authorization to Dependencies to Hold Public Calls for Bids 35
"    XI	Calls for Sales 36
"    XII	Repeal of Previous Regulation 37
"    XIII	Effectiveness 37

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Approved: Victor M. Pons, Jr.  
Secretary of State

Regulation No.

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TO REGULATE ALL PURCHASES UNDER  
THE PROVISIONS OF ACT NO. 96 OF  
JUNE 29, 1954

SECTION I: LEGAL BASIS

Act No. 96 of June 29, 1954, as ammended  
(3LPRA915-925), known as the Procurement and Service Act,  
provides, among other things, that the Secretary of the  
Treasury shall be authorized and it shall be his duty to  
purchase, authorize the purchase, or otherwise see to the  
providing of all such supplies, materials, equipment,  
printing services and non-professional contractual services  
as any Commonwealth Government's agency may require. Said  
act also authorizes the Secretary of the Treasury to create  
an administrative unit to which he may delegate the powers  
conferred upon him by said act; and to promulgate such ru-  
les and regulations as may be necessary for the administra-  
tion thereof and which, upon promulgation, shall have the  
force of law.

The Purchase and Supply service, to which the  
Secretary delegates all faculties conferred upon him by  
Act No. 96, except that of promulgating the necessary rules  
and regulations for its administration, was created by law.

Act No. 113 of June 21, 1968, known as the Re-  
organization act, was enacted to provide for the reorgani-  
zation of the executive branch of the Government of the

Commonwealth of Puerto Rico, so that its structure may better respond to the needs and aspirations of the Puerto Rican people, and to achieve the most effective and rapid administration of public affairs and an efficient and economic operation in the Government's functions.

The General Services Administration, to which were transferred the functions of the Purchase and Supply Service, was created under the provisions of the Reorganization Act of 1968, as amended, and through Reorganization Plan Number 2, Substitute, of 1971. The General Services Administrator assumed on the Boards created by the Procurement and Service Act, the faculties and duties of the Secretary of the Treasury to receive property donated by the Government of the United States and for the custody or distribution thereof.

#### SECTION II: PURPOSE

This Regulation is hereby promulgated to establish the rules to be followed by the Purchase and Supply Area and departments and dependencies of the Commonwealth of Puerto Rico in the acquisition through purchase of equipment, materials, articles and non-professional services.

#### SECTION III: JURISDICTION

The provisions of this Regulation shall apply to the Purchase and Supply Area of the General Services Administration and to all department- and dependencies of the Commonwealth of Puerto Rico bound by law to make their

purchases through this area.

They will also apply to municipalities, public corporations and instrumentalities of the Commonwealth of Puerto Rico not bound by law to make their purchases through the Area, but to which, pursuant to said Act No. 96 of Purchase and Supplies, the provisions thereof were extended.

Likewise applicable to the New York Purchase and Supply office of the Purchase and Supplies Area shall be those aspects that may apply according to the circumstances under which said office operates.

#### SECTION IV: DEFINITION OF TERMS

A. AREA: Purchase and Supply Area of the General Services Administration

B. ADMINISTRATOR: The Assistant Administrator of the Purchase and Supply Area of the General Services Administration, or his authorized representative.

C. AGENCY: Any instrumentality of the Commonwealth of Puerto Rico bound by law to make purchases through the Area, and any Commonwealth of Puerto Rico's municipality, public corporation or instrumentality which, although not bound by law, makes purchases through the area.

D. PURCHASE: Total quantity of common needs grouped together that shall be acquired at a sole moment or transaction because they have similar purposes, common suppliers, or because it benefits the public interest.

E. PUBLIC CALLS FOR BIDS ON PURCHASES: The Procedure followed by the Government of the Commonwealth of Puerto Rico for acquiring supplies and services.

F. PUBLIC CALL FOR BIDS ON SALES: The procedure followed by the government of the Commonwealth of Puerto Rico to sell property which is of no use to other agencies and part of its residual value can be recovered.

G. OFFICIAL DEPUTY BUYER: The official or regular employee of any agency who upon his agency's recommendation is authorized by the General Services Administrator to make small purchases in order to give flexibility to the operations of said agency.

H. EMERGENCY: Unexpected or unforeseen public needs caused by acts of God requiring immediate action because the life or safety of one or more persons is imperiled, the public property is in danger of being lost or perishing; or the public service is in danger of being suspended or adversely affected.

Also understood as an emergency shall be such situations where, through no negligence, omission or administrative delay, the effectiveness of the monetary assignments can lapse and every opportunity to acquire the needed supplies and services can be lost, adversely affecting the public interest; and as the General Services Administrator may so declare.

I. URGENCY: An unforeseen need of purchase of supplies requiring immediate attention, which purchase cannot be made through the procedures established by the administrator for purchases lower than the minimum amount established by law for holding public calls for bids, or through public calls for bids.

-5-

Immediate needs arising from administrative omission or delay shall not be considered an urgency.

J. SPECIFICATIONS: Ensemble of main characteristics of the equipment or material fixed as reference for each item in a call, as well as the physical, functional, aesthetical and/or quality characteristics that describe the type of supply required.

#### SECTION V: CALLS FOR BIDS ON PURCHASES

The area or the agencies duly empowered by the General Services Administrator shall fulfill the following requirements for all purchases made through public calls for bids:

##### A. SUPPLIERS' REGISTRY

The Area shall carry an up-to-date registry of merchants for each branch of commerce, which shall include all merchants interested in bidding, to be used as a guide for determining the businessmen to be invited to bid.

##### B. CALLS FOR BIDS

The calls for bids shall be made known to the public, using therefor all available media; calls will be made through any means that will ensure a quick and safe delivery; and all merchants shall be invited in the same manner.

The administrator shall, in each case, determine the procedure to be followed, but always observing the following:

##### 1. GENERAL RULES

a. The terms of the call shall reflect the agency's requirements according to the needs and the provisions of this regulation.

b. The Administrator shall determine the minimum needs acceptable by the agency, according to which he shall proceed.

c. The Administrator shall indicate to bidders the manner in which they will identify their bid envelopes.

d. Every call for bids shall contain specific instructions concerning the manner in which bids shall be submitted, as well as the terms and conditions that will govern the transaction. These and the specifications shall constitute the basis of the contract.

e. Every request for prices shall state all the elements the bidder may need to submit his offer.

f. Cases subject to special conditions or restrictions shall contain a notice to those effects clearly indicating the condition or restriction, so that it allows an adequate evaluation and processing of the call for bids.

g. Additional Documents with the bid: In cases where bidders are required to submit special certifications or documents as part of their bid, the basic terms of the requirement shall be established by the administrator through a clause to that effect.

h. Equipment: When the installation of an equipment is required, the Specifications must contain

a clause to the effect that the work to be carried out shall comply with regulations in force and common norms of engineering and safety.

i. Delivery of Goods: The deadline or limit date for the delivery of supplies must be fixed according to the type of supplies to be contracted for, source thereof, and facilities normally available to the local commerce for such purposes provided that this is not in conflict with the agency's needs.

j. Opening of Bids: The Administrator shall fix the date, time and place for opening the bids.

k. Discounts: The Administrator must state in the call for bids the types of discounts for payments ahead of time acceptable to the Commonwealth, as well as the minimum time limit deemed necessary for making the payment condition acceptable.

## 2. OBLIGATION OF BIDDERS:

a. Bidders must clearly state in their bids:

- 1) guarantee
- 2) manufacturer's name
- 3) trademark
- 4) reference or model of the article bid for
- 5) if the price is net or it entails any discount
- 6) date, time and place for delivery of merchandise, if not required in a specific manner

b. SAMPLES: In case samples are requested, they shall be representative of the article the bidder intends to provide. The Administrator will determine if the samples submitted comply with the requirements stipulated.

These samples will be supplied free of charge to the government and they may be recovered by their owners after the bid is awarded, provided that they are not samples of goods subject to destruction during the evaluation process.

3. Obligations of Petitioning Agencies

a. The agencies must program their purchases so that they may be made according to the terms established herein, thus preventing purchases whose delivery is in conflict with the time taken by the publication, award and delivery of the goods or services.

b. The agencies must bind the funds before making the purchases, so that there is a balance available for the issuance of each purchase document and for covering the disbursements when the materials or equipment purchased are received or the services are rendered.

c. The agencies must not obtain materials, equipment or services without making the corresponding contract.

- 1) They must keep a control of the purchase orders issued, materials received and those pending deliveries, and payments made against said orders.
- 2) To avoid duplicity, everything concerning purchases functions will be centralized in one sole unit.

d. Purchase Form (SC-701)

- 1) The agencies will submit their purchase requests (SC-701) stating therein, among others, the following things:

- a) specifications
- b) delivery date
- c) delivery place
- d) special services requested
  - 1) instalation
  - 2) training courses
  - 3) others
- e) purpose and use of articles or services requested
- f) any other special characteristic

- e. Every purchase of equipment, materials, printed forms and services made from private individuals must be made through the area, except purchases made by the deputy buyer as provided herein; the Administrator will determine if the purchase is to be made in the

local market or through the New York office.

- f. Once the preceeding has been determined, the area will hold the call for bids or will request in the open market the corresponding bids, as the case may be, according to the norms established in this regulation, and shall order the meechandise requested.
- g. In case that the merchandise ordered arrives at the; dependency in bad conditions, different from the specifications or in violation of some of the contractual terms, it must notify the area immediately pointing out the circumstances that gave rise to the fact that the receiving official did not adequately check the merchandise before he officially received it.
- 1) In this case, the provider will be notified in orther for him to pick up his merchandise
  - 2) The government will not be responsible for loss or damage to the refused merchandise if it is not picked up quickly.
  - 3) The Area will make the duly claim to the corresponding merchant or merchants and will take the action it may deem convenient, considering the provisions of this regulation.
- h. Any notice of change on the Purchase form as the area

may require must be issued as quickly as possible by the affected agency.

1) The purchase procedure will stop until receipt of the information required.

2) In those cases where, despite various notices the affected agency does not reply or submit the information required, the area may cancel the form or forms for lack of interest on part of the petitioning agency.

i. Changes made in purchase orders that do not constitute an increase or decrease in the amount liened and which may result in situations giving rise to disturbances or loss to the government, shall be reported to the area by telegram or telephone.

1) The change must be immediately confirmed through a notice of change.

4. Conflicts between the Area and the Petitioning Agency

a. When the Area and the petitioning agency fail to agree on specifications on the basis of minimum requirements, or the petitioning agency cannot adequately justify the terms of its request, the administrator will prepare and submit general specifications to the agency, which will accept or reject them, stating the specific reasons for non-acceptance.

b. The Administrator may, upon his discretion, order

a call for bids with amended specifications, of which the agency may request review before the Board of Reviews, if it does not agree therewith.

5. Cancelations of Calls for Bids and Bids

- a. The Administrator may, for just reason, cancel or amend any call for bids, notifying the corresponding bidders within 48 hours previous to the opening.
- b. In exceptional cases, the call may be cancelled at any moment before the execution of the contract or the issuance of the purchase order.

6. Special Contracts

Special purchases may be made when the Administrator deem it justified, subject to the following:

a. Contracts for Undetermined Quantities

- 1) They are offered when, at the time of calling for bids, it is impossible to specifically determine the amount that will be in demand by the agencies during the duration of the contract.
- 2) For every call for bids whose purpose is to enter into periodic contracts for undetermined amounts, the agencies must offer estimates of consumption figures.

b. Contracts of Multiple Items

The Administrator may call for bids in order to

enter into yearly contracts of multiple items, on the basis of trademarks or any other similar criterion when:

- 1) The demand is of such magnitude that it cannot be taken care of by one sole supplier.
- 2) The great variety of types and models does not allow the selection of only one product for general use.
- 3) The variety in the budgetary capacities of the agencies so requires it.
- 4) The experiences of the agency's personell in the use of the different brands and types benefit the public interest.

c. REPEATING Contracts

- 1) Those contracts for articles of continuos and common use, which merits the uninterrupted maintenance of contracts in force.
  - a) In situations where the area is prevented from entering into a repeating yearly contract by mutual agreement with the contracting parties to the contract due, the AREA may extend its effectiveness under the same terms and conditions but never for a period longer than one year.

C. FILING OF BIDS

1. The Area Personell or that of any other agency, will under no circumstance, intervene directly or indirectly with the bidders in filing out the proposal bids and shall in no way advise, suggest or influence in the preparation of a proposal.

2. Types of Proposals

- a. Various Proposals by the same bidder: When in the same call for bids a commercial enterprise submits various proposals for one or all the items in its own behalf or in behalf of one or several of its partners, agents or officers, each and every one of those proposals will be declared void.
- b. Alternate Proposals: When so required in the call for bids, a bidder may submit a main offer and one or various alternate offers for articles of different specifications and prices.
- c. Basic Proposal: Bidders must quote prices on the basis pf unitary prices for each one of the items in which they wish to participate, which shall constitute the basic proposal.
- d. "All or nothing" Proposal: The "all or nothing" proposal establishing prices conditioned on such basis, must, in addition to the basic proposal, be admissible for one or more items, group of

items or the totality of items.

- 1) Unless in his proposal the bidder indicates the contrary, the additional "all or nothing" proposal will not prevent the commonwealth from accepting the individual prices included in the basic proposal for unitary prices.

e. "Lump Sum" Proposal: In substitution of the "all or nothing" basis, it shall be admissible to quote prices on the "lump sum" basis.

- 1) The bidder will offer a reduction on the "lump sum" quoted on the unitary prices basis, provided that all items for which he quoted are awarded thereto.

- 2) Unless in his offer the bidder indicates to the contrary, the government may consider and accept the individual items of any proposal, discarding the "lump sum" if convenient to the public interest.

3. ALLOWED BIDDERS

A manufacturer or distributor that has quoted prices to other bidders so that they can attend for bids may also submit its proposal at the same call.

4. PROPOSAL ENVELOPES

- a. Envelopes containing bidder's proposals will be stamped with the date and time received, as set forth in the call.

b. Before the date and time fixed for their opening, under no circumstance shall envelopes be opened.

c. The bid official will not accept any envelope that is not duly marked with a seal or in any other manner indicates the date and time of its receipt.

1) Every envelope arriving after the date and time fixed for opening the call for bids will be rejected and returned unopened to the bidder.

5. FORM AND CONTENTS OF THE BIDDING FORMS

a. The bidding forms will be signed in ink or indelible pencil, by the bidder, his guardian or authorized representative.

1) The administrator may consider unsigned proposals if before opening the call, the affected bidder or his authorized representative files with said administrator a letter or other signed document which justifies the absence of said signature and accepts the corresponding responsibility.

2) An unsigned proposal may also be accepted if the bidding form is accompanied by a document or letter signed by the bidder in which direct reference to the transaction is made.

6. DELIVERIES

a. In case a specific delivery is not required, bidders will state in their proposal the date or terms not later than which they shall deliver the articles or render the service required.

1) In addition to the specifications, this can be one of the main conditions in evaluating a bid, provided that it is thus stated in the call and it benefits the public interest.

7. CHANGES IN PROPOSALS

The corrections or changes in the bidding forms will be duly initiated by the bidder, otherwise the proposal will be invalidated for the corresponding item or items.

8. WITHDRAWAL OF PROPOSAL

a. The withdrawal of a proposal filed with the administrator will only be made through written petition filed before the opening of the call for bids, stating the reasons for said withdrawal.

1) The withdrawal of proposals after the opening of any call for bids will be conditioned to the fact that it may be proved unequivocally that it was made by error and that it cannot be sustained as a responsible proposal.

b. Effect of the Withdrawal of Proposals

1) The bidder may not file a substitute propo-

sal once the proposal for a certain call for bids has been withdrawn.

- 2) The fact that a bidder, without establishing meritorious reasons, insists in withdrawing his proposal or refuses to accept the purchase order issued, will be construed as a breach of contract and such sanctions as the Administrator may deem pertinent will be applied pursuant to the provisions of section V, clause F of this regulation.

9. MODIFIED PROPOSALS

- a. Proposals may be modified before the opening through written notice that will be filed with the Administrator in a sealed envelope duly identified in a prominent place with:
  - 1) bid number
  - 2) date
  - 3) time fixed for opening
  - 4) bidder's name and address
- b. It must include information stating the reasons for modifying the proposal.
- c. They will be inadmissible if filed after the date and time of the opening of the bid.
- d. Every proposal modification will be opened at the

time and date fixed for opening the original bid.

D. BID AUCTION

1. All persons attending the bid must sign a registry indicating the firm they represent, in order to complete the records of the bid.
2. The proposals will be read aloud.
3. After the bid opens, all information will be of a public nature.
  - a. The Administrator will determine the way and manner in which the interested parties can examine the information, one bidder at a time, without affecting the normal development of the works.
  - b. The Area will retain, during a reasonable period of time, every information concerning a bid, so that it may be inspected by officers of the office of the comptroller of Puerto Rico or any other authorized officers.

E. AWARDING OF BID

1. The awarding will be made following the order of preference for native products, subject to the conditions prescribed in sections 5A and B of Act No. 96 of 1954 taking into account the regulation for the Purchase

Preference Procurement Board of the agencies of the Commonwealth's government, approved by members of said board, on February 6, 1962, as well as the lists of articles approved by said Board, designating the percentages to be applied to the various products according to the group to which they correspond.

a. Lowest Bidder: The bid shall be awarded to the lowest bidder that submits a responsible proposal within the specifications, terms and conditions, provided that it is a reliable source of supply, taking into account the requirements of the specific bid.

b. Refusal of lowest bid:

1). The Administrator may refuse the lowest bid when he knows and there is evidence that the bidder making the proposal has not satisfactorily attended to and completed with contracts previously awarded thereto by any Commonwealth's dependency.

2) When it does not fulfill the specifications requirements and terms set forth in the call

## 2. TERM OF DELIVERY AS MAIN FACTOR

a. In case the call for bids has not stated that a main factor for awarding said bid will be the promptness with which the articles requested are

delivered, the lowest bid cannot be refused if it meets all the other conditions set forth therein, in order to award it to a higher bidder because a quicker delivery is offered.

- 1) Except when, after opening the bid, the Administrator determines that said factor can adversely affect the development of the petitioning agency's program, in which case it will become the main factor upon evaluating the proposals for award.

### 3. DISCOUNTS ON QUICK PAYMENTS

Discounts on quick payments may be deducted as part of the proposal, to the effects of awarding the bid, provided that they adjust to the stipulation appearing to that effect in the call for bids.

### 4. AWARDING BY ITEMS

- a. The Administrator may accept or reject any item, group or groups of items in any proposal, as well as order less quantities than those set forth as it may be deemed convenient to the best interests of the commonwealth, provided that it has not been conditioned by the bidder to a different acceptance.

- 1) The Administrator may award the bids by lumping items together when he deems it advisable and convenient to the public interest.

5. SOLE PROPOSAL

In case a proposal is received from only one bidder, it may be accepted by the Administrator provided that it is considered just and reasonable.

6. EQUAL OFFERS

Two or more offers shall be considered equal when they are identical in prices, specifications and other conditions set forth in the call for bid.

a. The administrator may:

- 1) Decide the tie on the basis of experience he may have had with the bidders in contracts previously granted thereto.
- 2) Announce a new call with the sole participation of the tied bidders.
- 3) Or he may award it through a drawing held in the presence of the tied bidders.
  - a) In case that the bidders' representatives fail to show up, the drawing will be held before impartial witnesses.
- 4) When the administrator deems it convenient to the government's interests, and in exceptional cases, the bid may be awarded to both bidders, provided that their written approval is obtained.

7. COMPLETE REFUSAL

a. Any or all bid proposals may be rejected during any stage of the process prior to the issuance of the purchase orders:

- 1) When one or more of the bidders do not comply with any of the requirements, specifications or conditions set forth.
- 2) When it is deemed that the adequate competition has not been obtained
- 3) When the prices obtained are unreasonable
- 4) When there are no sufficient funds to pay for the articles or services of the lowest bid.
- 5) When the petitioning dependency desists of the purchase.
- 6) When the proposals show that the bidders control the market of the articles requested, and have mutually agreed to quote prices unreasonably high.
  - a) In this case, the bidders will be subject to the penalties established in section V, Clause F of this regulation.
  - b) In the cases enumerated in this clause, if necessary:

(1) a new call for bids will be made

- (2) the purchase can be negotiated, or
- (3) the matter will be disposed of in the manner most beneficial to the government, according to the attendant circumstances.

8. PERMISSIBLE IRREGULARITIES:

The Administrator may excuse or waive any informality or minor irregularity in the proposals received, such as:

- a. Deviations in the specifications, terms and/or conditions which, in the administrator's judgment, are not in conflict with the use, operation and quality of the articles or services, provided that the public interest benefits therefrom.

9. PURCHASE ORDERS

No bidder will receive any advanced official information on the results of the award until the administrator has given his final approval.

- a. Purchase orders will be issued after the period established by the regulation of the Board of Review has elapsed from the date on which the award notices are mailed.

10. BOND

- a. The Administrator will determine if bidders must

give a deposit or bond in the sum deemed reasonable so as to guarantee their proposal, compliance with the contract executed, or any other aspect concerning the call for bids.

F. PENALTIES to bidders for breach of contract:

1. The Area may in view of failure to comply with contracts and a determination of lack of economic responsibility or any other irresponsibility on the part of the contracting parties, impose such penalties or measures as it may deem adequate for the protection of the public interest, as follows:
  - a. Confiscate the bond or bonds given as guarantee.
  - b. Buy in the open market, at any other source of supply, the articles the object of the breach of contract or their like in the market, charging the difference between the price paid and the price quoted to the contracting party that did not fulfill his contract or to the bond guarantor.
  - c. Cancel other orders issued in favor of the contracting party in default and still pending delivery, if it is understood that said orders run the risk of not being filled.
  - d. Abstain from requesting prices from and/or making awards to bidders indebted to the Commonwealth

for causes of breach of contract.

- e. Eliminate from the bidders' list, for the time it may deem pertinent, the name of any firm that does not fulfill a contract or which in any manner incurs in default.
- f. Collect from any sum pending payment in any other order the sum owed for the breach of contract.

G. BILLING BY SELLERS

1. Every seller must duly fill out the "Invoice Voucher" form (SC-706) for each total or partial payment requested for materials, supplies, equipment and/or non-personal services he may have delivered or rendered and still pending payment.
  - a. The "Invoice Voucher" (form SC-706) will be supplied to sellers in sufficient amounts and free of charges by the Area or each purchasing agent, as the case may be.
2. The information provided in the "Invoice Voucher" (form SC-706) by the seller will be precise and full so that payment can be made.
3. The invoice must be mailed to the billing address appearing in the purchase order.
4. Problems arising on any payment will be solved by each pertinent agency which has authorized or indicated the purchase.

H. QUICK PAYMENT DISCOUNTS

1. The policy of the government of the Commonwealth of Puerto Rico will be to promote discounts for payments made on time and assuring that advantage is taken thereof whenever offered.
2. The purchase documents entailing the granting of a discount for quick payment will be marked with a stamp reading "Discount" so that the case is given the necessary priority and advantage is taken thereof.
3. In purchase orders entailing the granting of a discount period will be computed from the date on which the final shipment of articles is delivered, finally inspected and accepted, the services are rendered, or the duly approved purchase documents and corresponding invoices are presented for payment by the contracting party, whichever happens last.
  - a. The payment date will be the one appearing in the check issued by the government.

I. IMPUGNATIONS OR APPEALS

1. Any bidder or agency that, for reasonable objections is not in agreement with any formal call for bids, bid or award may impugnate them pursuant to the terms of the regulation of the Board of Review of the Purchase and Supply Area of the General Services Administration.
2. The following decisions or determinations will not be

subject to impugnation:

- a. The Administrator's determinations in cases where the amount is less than the limit set forth in the Purchase and Supply Act, for holding public calls for bids.
  - b. The administrator's decisions made on the basis of provisions prescribed through regulation.
3. The effectiveness of any contract or part thereof will not be extended in favor of impugning bidders who appear as suppliers in contracts due and whose extension is being proposed.

SECTION VI: EXCEPTIONS TO THE CALL PROCESS

In the following cases it will not be necessary to comply with the formal call for bids' requisite :

1. When the purchase has a lower value than the limit set forth by law for holding call for bids.
2. When made by the Commonwealth's government to the United States' government, or the government of any foreign country.
3. When the purchase is of such articles of which it can be clearly and documentarily established that there is only one source of supply.
4. When it is a matter of emergency purchases, as defined by this regulation.

SECTION VII: NEGOTIATED PURCHASES

- A. The Administrator may enter into contracts through negotiation if it is convenient to the public interest:
1. When all proposals received are rejected.
  2. When no proposals are received after the call for bids is announced on two (2) occasions.
    - a. If the item or items cannot be obtained from any source in the market, the call for bids must be cancelled.
  3. When prices quoted are too high.
  4. When the terms of the proposals result in any manner burdensome to the government.
  5. When the deviations of the proposals are not substantial and the public interest does not allow the delay of a new call, or if announced, the result would be the same.
- B. The following elements must be considered upon negotiating a purchase:
1. The negotiation will be made adjusting it as possible to the specifications, terms and conditions set forth in the call.
  2. When quotations of prices are received, the possibilities for the negotiation will be studied beginning with the lowest bidder.

- a. If the lowest proposal is not the most convenient to the government, written proof must be entered on the record regarding the reason preventing the acceptance of said proposal on the basis of negotiation, proceeding then to study the proposal from the next lowest bidder.
3. When all proposals received deviate in a substantial manner from the government's requirements or funds available for a certain purchase, and it is not possible to make a new call, the administrator will give a new opportunity to all bidders whose proposals could be acceptable so that they improve their proposals in writing.
    - a. The Administrator must execute the contract with the bidder whose revised proposal best serves the public interest.
  4. All purchase made in any of the above mentioned ways whose amount is of five thousand dollars (\$5,000) or more requires the Administrator's approval.
- C. A contract will not be negotiated at a call where proposals are received before the end of the period granted for impugnation effects by the regulation of the Board of Review of the Purchase and Supply Area of the General Services Administration.
  - D. The determination of purchase entailed by this type of transaction will not be subject to appeal, review or impugnation.

SECTION VIII: DEPUTY BUYERS

A. Purchases by the Deputy Buyer

1. Section a(a) of Act No. 96 authorizes the General Services Administrator to transfer the duties of buyer to officials and employees of the different government dependencies

a. The General Services Administrator, after a previous request from agency heads, and if he deems it convenient, will appoint as deputy buyer the employee designated as such by each agency, pursuant to the provisions of the regulation as may be promulgated to those effects.

2. Purchases by the Deputy Buyer are authorized to:

a. Prevent delays in obtaining materials and supplies that cannot be stored and are of perishable nature or are urgently needed.

b. Accelerate the purchases in the case of articles services and equipment for which the Area has entered into previous contracts with private suppliers, while decentralizing the process of acquisition of supplies against such contracts on the part of the agencies.

3. PURCHASES in case of Emergency or Urgency

Pursuant to the provisions of this regulation and the terms of the regulation issued by the General

Services Administrator, deputy buyers may make purchases for emergency reasons:

a. When circumstances arise where the public's interest requires making one or more purchases under the emergency condition, the process of the call for bids may be waived.

1) The deputy buyer must take immediate action to the effect of reestablishing the essential services that were or may be interrupted as a result of an act of nature or an accident fortituous act or vandalism.

2) All necessary immediate measures must be taken to protect the property, health, life or public safety when they may be adversely affected by unexpected situations.

4. All purchase made under one or more of the preceeding conditions will be fully justified before the General Services Administrator.

a. Transactions not responding to a declared emergency or one of proven authenticity will not be approved by the General Services Administrator, for which they shall be of the absolute responsibility of the corresponding agency.

5. In cases where the deputy buyer has the need to make urgent purchases of equipment, materials or services whose amount is less than the limit established by

law for holding public calls for bids, but is more than the amount authorized to the deputy buyer, the purchase order will be submitted to the administrator together with all the other supplementary documents of the order and the justification setting forth the reasons that did not allow the transaction to be made according to the provisions of the delegation and/or this regulation.

a. The Administrator will determine if the transaction is justified and will approve or disapprove it.

1) If the situation arose from oversight, delay or lack of administrative organization, the Administrator will not approve the transaction and it will be the agency's full responsibility.

SECTION IX: PURCHASES FROM THE PURCHASE AND SUPPLY AREA

A. Commonwealth's government's dependencies will use the facilities offered by the area's warehouse, printing shop and repair shop except in such cases where the materials or services needed cannot be offered by said Area.

1. Purchase of materials

a. The Area will maintain a warehouse for constant

and direct dispatching to dependencies of such materials and supplies of regular and ordinary consumption, in certain quantities, according to the nature of the articles and the needs of the dependencies using them.

1) The Area will annually publish and distribute a catalogue of articles in stock at the warehouse, so as to facilitate to dependencies the preparation of the requisitions for materials and supplies.

b. In those cases where the area's warehouse cannot supply certain items to dependencies and as a result thereof the dependencies must obtain such undispached articles through direct purchase in the open market, the affected agency will previously obtain the Administrator's approval.

1) The Administrator may, in exceptional cases, authorize agencies to receive supplies directly from their suppliers, charging this obligation to funds established for the provision of said supplies.

## 2. REQUEST FOR PRINTING AND BINDING SERVICES

a. Dependencies must be governed by the provisions of the regulation for the "Use of the Government Printing Shop and Reproduction Controls" which establishes among other things, the following:

- 1) The kind of printed work that can be prepared in the dependencies
- 2) The one to be taken for printing at the Area's printing shop.
- 3) The circumstances and requirements that should exist so that a dependency may take work to be printed at the education department's printing shop or private printing shops.

3. REQUEST FOR SERVICES FROM THE OFFICE EQUIPMENT REPAIR SHOP

- a. The dependencies will request an estimate from the Area's repair shop. The Administrator will authorize the dependency to acquire the services in the open market when it is not possible to make the repair at said shop'

SECTION X:

AUTHORIZATION TO DEPENDENCIES TO HOLD PUBLIC CALLS FOR BIDS

1. Pursuant to section 4 (a) of Act No. 96, the Administrator may grant authorization to a certain dependency to acquire through public call for bids technical specialized products or products of exclusive use, if he determines that said authorization facilitates providing the services rendered by the petitioning dependency.

2. Up to where it may be possible, for the purposes of formal calls for bids, dependencies must use official forms similar to those used by the Purchase and Supply Area.

a. The Fiscal forms approved by the Department of the Treasury must be used.

1) If this is not possible, they will communicate their reasons to the secretary of the Treasury or his authorized representative, requesting the waiving of the provisions of article 7 of Regulation Number 10 approved by the Governor of Puerto Rico on January 5, 1960.

#### SECTION XI: CALLS FOR SALES

1. All sale of public property that has become obsolete or useless will be made after receiving proposals at a public call for bid.

a. Pursuant to the preceding provision, the Area will hold public calls for bids to execute contracts for the sale of property which, because of its nature, has no use for other Commonwealth's agency, and part of its residual value can be recovered.

b. The award will be granted to the responsible highest bidder, considering the terms set forth in the call.

- c. The product of the sale will be deposited in the government's general fund, or in the corresponding fund when it is a matter of property acquired and charged to funds of industrial capital.
  
- d. The terms of the call must describe the property on sale in the most clear and precise manner. The call must set forth descriptions, terms and conditions that may adequately guide the bidders regarding the proposed transaction.

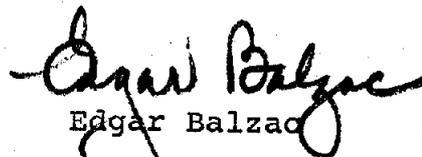
SECTION XII: REPEAL OF PREVIOUS REGULATION

This Regulation repeals sections 1-6, 8-11, 15-19 of Regulation No. 38 Revised; Regulation No. 42 and any other Regulation, Rule, order, Letter or norm in conflict with the provisions whereof.

SECTION XIII: EFFECTIVENESS

This Regulation, because of its urgent nature will take effect immediately after its filing at the Department of State.

Subscribed in San Juan, Puerto Rico this        day of  
june, 1973.



Edgar Balza  
Administrator, General Ser-  
vices Administration