

COMMONWEALTH OF PUERTO RICO

GENERAL SERVICES ADMINISTRATION

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Secretary of State

REGULATIONS NUMBER 7.....
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OF THE
GENERAL SERVICES ADMINISTRATION

"DELEGATE BUYERS REGULATIONS"

1979

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COMMONWEALTH OF PUERTO RICO

GENERAL SERVICES ADMINISTRATION

REGULATIONS NUMBER 7

FOR The creation of the Buyer in the purchase system of the Government, the definition of a Delegate Buyer and a Subdelegate Buyer; the establishment of uniform rules and proceedings through which Delegate Buyer and Subdelegate Buyers shall be appointed; the listing of qualification requirements for these appointments; the enumeration of obligations and responsibilities incumbent upon the Delegate Buyers and Subdelegate Buyers; the establishment of rules and procedures for the revocation of their appointments; the establishment of purchase procedures to be administered, initiated, or culminated by said Buyers; the establishment of penalties; the derogation of Section VIII of Regulations Number 2 of the General Services Administration: "For the Regulation of Purchases Under Public Law 96 of June 29, 1954"; Circular Letters 03-73 of June 22nd, 1973; the 7-73-7 of July 10th, 1973; the 75-16 of November 13th, 1974 and any other rule approved and circulated prior to these regulations.

PART I: GENERAL RULES
SECTION A: INTRODUCTION

ARTICLE 1: REFERENCE TITLE

These regulations shall be known as "Delegate Buyers Regulations".

ARTICLE 2: SOURCES OF THE LAW

These regulations are approved by virtue of the authority conferred upon the Administrator of the General Services Administration by the Sub-section "j" of Article 14, Article 16 of Public Law 164 of July 23rd, 1974, as amended, and Sections 3 and 4 of Public Law 96 of June 29th, 1954, as amended.

ARTICLE 3: PURPOSE

These regulations are approved with the purpose of establishing uniform requirements, so that all officials and employees authorized to purchase may have the same qualifications; receive the same treatment; the same training and have the same obligations and responsibilities imposed upon them.

It is necessary that General Services Administration Government purchasing functions be delegated upon those officials and employees of the agencies, that can make this function a more practical and efficient one: the "Official Buyers" of the Government, that is the Delegate Buyers.

The functions of said Buyers must be clearly enumerated and itemized.

ARTICLE 4: SCOPE

These regulations shall apply to any employee or official of the Government, who is authorized to purchase by power of his appointment as Delegate Buyer or Subdelegate Buyer.

ARTICLE 5: JURISDICTION

All initial steps concerning a purchase or price request made in the agencies, shall be regulated by the rules established in these regulations and in the "Acquisition Regulations".

ARTICLE 6: INTERRELATION WITH OTHER RULES AND REGULATIONS

The provisions of these regulations shall not be interpreted by themselves. In order to discharge the functions of Delegate Buyer or Subdelegate Buyer, it is necessary to know all the rules regulating Government acquisition promulgated by the Administrator, as well as related fiscal rules promulgated by the Secretary of the Treasury.

ARTICLE 7: INTERPRETATION OF WORDS AND PHRASES

1. In General

The words and phrases used in these regulations shall be interpreted according to their context and meaning, sanctioned by current and common usage. The terms used in these regulations in the present tense also include the future; those used in the masculine gender also include the feminine and neutral except in cases where such interpretation would be absurd; the singular number also includes plural and plural includes the singular.

2. In Particular: Abbreviations and Definitions

The words and phrases used in all the regulations shall be defined in this Section. Those that are only utilized in one Section of the Regulations or that for greater clarity, it is thus necessary, shall be defined in the corresponding Section.

The following words and phrases used in these regulations have the meaning expressed immediately following:

- 1) Administrator - The Administrator of the General Services Administration
- 2) Administration - The General Services Administration
- 3) Assistant Administrator - The Assistant Administrator of the Purchases, Services and Supplies Area of the Administration.
- 4) Agency - Any Government dependency or branch that by Law has to make its purchases under the regulations of the Administration even if it has not requested the designation and appointment of one or several Buyers for said agency.
- 5) Purchase - Total amount of similar, grouped needs that should be acquired by any means, in one transaction or moment because of their common purpose and, suppliers, or because it is advantageous to the public interest.
- 6) Buyer - Any Government Buyer, already appointed Delegate Buyer or Subdelegate Buyer.
- 7) Day - Natural day.
- 8) Emergency (Urgency) - Both terms shall be considered synonymous in these regulations.

Emergency or Urgency shall be understood to mean that situation which may bring about unexpected and unforeseen public needs, and requires immediate action on the part of the Government because the lives, health or safety of its citizens are endangered; or because public services

or government property are in danger of being suspended or affected; or the period funds are in effect is about to expire and all opportunity to acquire goods, works, and services desired may be lost, adversely affecting the public interest.

- 9) Government - The government of the Executive Branch of the Commonwealth of Puerto Rico, excluding public corporations and municipalities and any agency that by law may be exempt from the jurisdiction and control of the Administration when acquiring goods, works, and services.
- 10) Luxury - Any goods, works, or services acquired in Government in violation of the rules established in the "Acquisition Regulations" of the Administration and the austerity standards and control established by the Secretary of the Treasury.
- 11) Area - The Purchase, Services and Supplies Area of the Administration.
- 12) Contractor - Any person or entity having a contract in effect with the Government.

SECTION B: FUNCTIONS AND OBLIGATIONS OF THE ADMINISTRATION
AND OF THE AGENCIES

ARTICLE 8: OF THE ADMINISTRATION

The Administration shall be responsible for coordinating government purchases with the Delegate Buyers. In the performance of these functions, the Administration shall carry out the activities stipulated in this Article.

1. Training

The Administration is obligated to offer the Buyers a training. For this, it shall establish and maintain a training program divided in two parts:

a. Original Training

This training shall be offered to all new candidates, as established in these regulations.

b. Continuous Training

In this training new rules and procedures, should they arise, shall be explained; existing ones will be refreshed; problems and errors committed will be discussed, as well as, the use and execution of new forms and procedures.

1) Frequency

This training shall take place at least once a year.

2. Information

The Administration is obligated to maintain Buyers informed of all purchase activities in the Government of all contracts in effect and all rules altered, modified, or in the process of modification.

To insure the faithful discharge of this obligation, the Administration shall submit to the Buyers a complete copy of all the contracts in effect, so that they may have their information

up-to-date.

Whenever it deems it necessary, the Administration shall publish an Informative Bulletin for the Buyers. It shall contain general information with the up-dating of the information related to their functions, so they may correctly execute them.

3. Consultations

The Administration shall offer constant advice in the case of oral or written consultations by the Buyers.

4. Auditing

The Administration shall make sure that the purchase operations are being correctly executed. To ensure this, the Area shall audit the work of the Buyers.

a. Audit Site

Said control will take place:

- 1) In the Agency for which the Buyer is appointed
- 2) In the Administration

b. Audit Procedure

Audit shall be performed in two ways, depending on site:

- 1) Through direct sporadic audits of the work of the Buyer in his agency, and
- 2) Through evaluation of the purchase orders received in the Area

a) Order Evaluation

When evaluating orders, it shall be the Area's obligation to verify the following:

- (1) If the person who issued the order is the authorized Buyer
- (2) If the orders have been duly filled out and approved
- (3) If it is being issued against the contract in effect, covering the matter expressed in the order
- (4) If the Buyer exceed authorized limit
- (5) If he split, issuing different orders for the same request, the same day or in successive days.

5. With the Treasury Department

a. Signature Card

The Area shall be responsible for submitting to the Department of Treasury the original of the Registration card signed by the corresponding Buyer, immediately after the appointed person is registered.

b. Up-dating of Lists

At the beginning of each fiscal year, the Area shall review and check its lists with the Treasury Department information, to verify that these coincide. This check of listings shall take place even when no appointments have been made during that year.

ARTICLE 9: OF THE AGENCIES

The agencies have to facilitate, colaborate and coordinate all acquisition of goods, works, and services in the Government. To such effect, they shall comply with the following:

1. Facilitate the Work of the Buyers

The agency head shall establish the necessary mechanisms to facilitate the adequate supervision of the Subdelegate Buyers by the Delegate Buyers as well as establish mechanisms to facilitate the functions of all the Buyers. The agency head shall be responsible for ensuring that the purchases made in his agency are in agreement with these regulations.

2. Needs Estimate

Agency heads shall be responsible for submitting their agencies estimates of needs completed, correct, and on time, in order to assure the greatest economy for the Government.

The agency heads shall provide the adequate mechanism for the entire coordination of the production of necessary information and its submittal to the Delegate Buyer for its evaluation and preparation of the report submitted to the Administration by the head of the agency.

3. Purchase Orders Issuance Control

Agency heads shall not allow any employee or official to issue purchase orders until the Administrator has officially appointed him Buyer. It shall also be the responsibility of agency heads to see that none of their employees or officials request the delivery of goods, rendering of services, or execution of works from a bidder, without issuance of a purchase order by the agency Buyer.

PART II: BUYERS

SECTION A: GENERAL RULES

ARTICLE 10: DELEGATE BUYER

1. Creation

The Delegate Buyer is hereby created with the functions, duties, and powers stipulated in these regulations.

2. Delegate Buyer - Definition

The Delegate Buyer is the person occupying a regular position in any agency, who is authorized by the Administrator to purchase on behalf and in representation of the Government.

3. Purpose

In order to discharge its functions, each agency needs the constant acquisition of goods, works, and services. The Administration is responsible for channeling the acquisition of goods, works, or services that shall be utilized by the agencies. It is necessary to have at the level of each agency an official in charge of coordinating the internal requests at specific times and in the quantities actually needed by the agency involved. To such effect, the Delegate Buyer is created for the purpose of establishing a uniform system of acquisition, insuring the internal coordination in the agencies and inter-agency coordination by the Administration; and to assure full compliance by the agencies with the procedures and rules relevant to acquisition, established by the Administrator.

4. Limitation

Only one Delegate Buyer per agency shall be appointed.

ARTICLE 11: SUBDELEGATE BUYER

1. Creation

The Subdelegate Buyer is hereby created with the functions, duties, and powers established in these regulations.

2. Subdelegate Buyer - Definition

The Subdelegate Buyer is that person occupying a regular position in an agency in which a Delegate Buyer has been appointed, whom in addition to the Delegate Buyer of the agency, the Administrator has authorized to effect purchases, due to the needs of the agency.

3. Occasion for Designation

Appointment of Subdelegate Buyers shall be issued in those agencies where the volume or complexity of work makes it physically and materially impossible for only one person to discharge the functions of Buyer as established in these regulations and in the acquisition rules, in general.

4. Purpose

The Subdelegate is designated to collaborate with the Delegate Buyer in purchase activities.

5. Limitation

At the request of the agency head as many Subdelegate Buyers shall be appointed as are necessary for the efficient operation of the purchase system.

SECTION B: ELIGIBILITY

ARTICLE 12: REQUIREMENTS

Any person shall be eligible for appointment as Buyer provided he fills the followings requirements:

1. Have a high-school diploma, preferable with business courses;
2. Be occupying position or job;
3. Take the basic Training offered by the Administration.

SECTION C: SELECTION

ARTICLE 13: BUYER CANDIDATES RECOMMENDATIONS

Each agency head shall recommend from his employees those interested in being issued an appointment as Delegate Buyer or Subdelegate Buyer.

ARTICLE 14: BUYER SELECTION PROCEDURE

1. Selection Criteria

When making his selection, the agency chief shall take into consideration the following:

- a. Office or position occupied by the person;
- b. Functions performed;
- c. Need of appointment for the performance of his functions as Buyer;
- d. Working hours in which purchase functions shall be carried out.

2. Buyer Requisition

When an agency chief understands that there is a need for the appointment of a Buyer in his agency, he shall recommend the candidate, indicating the appointment and scope desired, utilizing the forms provided for it. The candidates recommended shall possess all the minimum requirements established in these regulations.

SECTION D: TRAINING AND EVALUATION

ARTICLE 15: BUYER REQUISITION EVALUATION

Once the requisition is received in the Area, the Assistant Administrator will study it, subject to the following:

1. Agency Need

He shall verify if there actually exists a need in the agency and will so indicate in the form.

2. Candidate Acceptance

If the candidate fills the minimum requirements established in these regulations and the agency need has been confirmed, the Assistant Administrator will notify the agency head, in the form provided for it, the candidate's acceptance and the date in which the next training for Buyers shall begin and for which said candidate has been registered. The date, place and hour for said training shall also be notified.

3. Candidate Rejection

If the candidate does not meet the minimum requirements, the Appointment shall automatically be denied and the requisition shall be returned, explaining in the form the basis for rejection.

a. Need Approval

The rejection of the candidate notwithstanding, if the Assistant Administrator understands that the agency needs a Buyer he shall notify this, so the agency ~~may submit a new candidate.~~

ARTICLE 16: BUYER BASIC TRAINING

1. Content

Buyer basic training shall be divided in two (2) stages: lectures and practice.

a. Lectures

The lecture phase shall contain but not be limited to information about the following:

- 1) Course purpose;
- 2) Buyer functions and responsibilities;
- 3) Laws and regulations controlling his work
 - a) In general
 - b) "Acquisition Regulations"
 - c) Other related regulations
 - d) Fiscal and acquisition procedures
- 4) Forms and their completion
- 5) Basic purchasing concepts
 - a) In the open market
 - b) In Government
- 6) Liability in relation to the provisions contained in the civil, criminal, and administrative rules directly or indirectly related to their functions.

b. Practice

The practice phase shall only be offered if the candidate covered all the material in the lectures and shall consist of the following:

1) In the Area

Candidate shall be assigned to the Area during the period required for training so that under the supervision of the Assistant Administrator or his authorized representative he may cover all phases of the purchase functions in Government.

2. Duration

Training duration shall be determined by the Personnel Division Training Section of the Administration in coordination with the Assistant Administrator.

3. Attendance

Compulsory attendance at training sessions shall be required of all candidates and it will be agency responsibility to see that its employees attend all phases of training.

ARTICLE 17: EVALUATION

Subsequent to training, the candidates shall be evaluated to determine their proficiency.

1. Approval

The candidate shall have passed the training if he has complied with the following:

a. Attended all lectures

1) Certificate

This shall be confirmed with an accreditative certificate stating course attendance. The certificate shall be issued and delivered to the candidate at the end of the lecture phase.

b. The candidate demonstrated in practice his ability to fulfill the functions, obligations and duties concurrent with appointment.

1) Certification

This shall be verified if the persons in the Area and at the Department of the Treasury, who were in charge of this phase, recommend him for appointment.

SECTION E: APPOINTMENT

ARTICLE 18: OFFICIAL APPOINTMENT

The Administrator shall issue an official appointment to the person who has approved both phases of training as provided in this section.

ARTICLE 19: APPOINTMENT ISSUANCE PROCEDURE

The appointment of Delegate Buyer or Subdelegate Buyer shall be issued in such a way as to facilitate the verification of its correction and validity. To ensure this, appointments shall be issued only personally and following the procedure below:

1. Summons and Registration

The candidate shall be summoned to the Area where after presenting his summons, he will register his signature before the Assistant Administrator or his authorized representative, in the form provided.

a. The original of said form shall be sent to the Treasury Department.

2. Delivery of Documents

After registering his signature, he will be given the accreditative document of his appointment as Delegate or Subdelegate Buyer:

a. Appointment

The appointment shall be issued in the form designed for said purposes by means of which the candidate is accredited with all his functions and duties and containing the following information:

- 1) Photograph of the person;
- 2) Name of the person;
- 3) Signature of the person;
- 4) Office or position he holds;
- 5) Appointment number;
- 6) Date of appointment;
- 7) Appointment expiration date;
- 8) Agency or program for which he works;
- 9) Physical address of his work;
- 10) Social security number;
- 11) Special restrictions;
- 12) Goods and services authorized to buy, if limited;
- 13) Quantity authorized to buy, if limited.

b. Identification

The identification shall be that utilized by the Buyer to identify himself within his agency or with third persons. It shall contain the following information:

- 1) Photograph of the person;
- 2) Name of the person;
- 3) Signature of the person;
- 4) Appointment number;
- 5) Appointment date;
- 6) Appointment expiration date
- 7) Agency and Program for which he works;
- 8) Type of appointment;
- 9) Signature of the Administrator.

c. Name Tag

In addition, the name tag provided by the Administration shall be visibly worn on his clothing.

3. Documents Distribution

The official appointment accrediting documents shall be distributed in the following manner:

a. Appointment

- 1) The original shall be given to the person appointed;
- 2) A copy to the agency head;
- 3) A copy to the Secretary of the Treasury;
- 4) A copy to the person's Area record.

b. Identification

- 1) An original that shall be delivered to the appointee

c. Certificate

- 1) The original shall be given to the person upon his completion of the lecture phase of training;
- 2) Photocopy to the person's Area record file.

d. Name Tag

- 1) Upon appointment he shall receive a name tag to be visibly worn on his clothing.

ARTICLE 20: DURATION

The appointment as Buyer shall be in effect for two (2) years.

ARTICLE 21: SCOPE OF APPOINTMENT

Upon the issuance of appointment to the Buyer, the Administrator shall take into consideration the needs of the agency based on which he shall stipulate the scope of authorization subject to the following:

1. Amount

Buyers are authorized to issue orders up to four thousand dollars (\$4,000.00) daily. Nevertheless, the agency heads may diminish at their discretion the daily amount of each Buyer in his agency. If this is done, it must be notified immediately to the Administration.

a. Purpose

The amount limitation is stipulated because as established by Law, when acquiring goods or services whose amount exceeds four thousand dollars (\$4,000.00) and such items are susceptible to competition, they have to be acquired through a formal bid.

b. Limitation

The up to four thousand dollars (\$4,000.00) authorization shall be understood to apply to each Purchase.

1) Exception

a. Construction and Conservation of Public Buildings Area of the Administration

When an order is issued by a Buyer of the Construction and Conservation of Public Buildings Area of the Administration for the acquisition of material, equipment and services related to a construction work the amount shall be understood to be per project.

b. Service Orders for Transportation Means

The service for repair or maintenance service of transportation means is to be rendered by the Transportation Area of the Administration; the order will

be issued only by the Superintendent of Transportation.

The Assistant Administrator of the Transportation Area of the Administration or his authorized representative will be the only person authorized by these regulations to issue service orders for services to be rendered by private shops in accordance to the instructions given by the Administrator and the regulations of the Government fleet.

No agency Buyer is authorized to issued these orders.

2) Goods, Works and Services

Buyers may acquire all the goods or services necessary for the functioning of their agencies, unless Administrator upon issuing their appointments in his regulations; or by other agency with capacity to do so or by their agency's head.

3) By the Agency Head

The agency head may at his discretion limit the goods or services a Buyer is authorized to acquire; but he may not add others.

a) Exception

(1) By the Administrator

Buyers shall not be able to issue orders for the acquisition of the following, which

shall only be issued in the Administration by the person the Administrator or these regulations expressly authorize to do so:

- (a) Any means for Air, Sea or Land transportation;
- (b) Construction, printing or agricultural machinery;
- (c) Computers, microphotography and other related equipment;
- (d) Construction works;
- (e) Services related to the electronic data processing field, microphotography; related to the transportation means those concerning construction work;
- (f) Any professional services.

ARTICLE 22: APPOINTMENT RENEWAL

1. Circumstances

The Administrator shall renew Buyer appointments given the following circumstances at the end of their term:

- a. The evaluation performed by the Area during the period ending has been favorable;
- b. The need still exists in the agency;
- c. Agency head expressly requests it.

2. Reevaluation

Upon the reevaluation of the Buyer, the Area shall determine if the candidate deserves appointment renewal taking into consideration the following:

a. Criterion

- 1) Evaluation of the Buyer's record.

3. Requirements

- a. If there has been amendments to the Law, regulations and other rules controlling his activities and the candidate has not attended one of the continuous training courses, he shall be subject to reevaluation related to the new rules or retraining before appointment renewal.

ARTICLE 23: APPOINTMENT REVOCATION

1. Conditions - Application

The Administrator shall revoke the appointment of any Buyer given one of the following:

a. Causes

- 1) The inefficient performance of his duty, according to the Law, regulations and other rules controlling his activities;
- 2) The agency head has so requested, with prior justification.

ARTICLE 24: DUPLICATE

Identification duplicates may be issued to the Buyer following previous sworn application, utilizing for this the form provided to such effect by the Administration, when the original is lost, damaged, deteriorated or stolen; or when the person changes his name or signature.

Before issuance, the person's record must be checked to ascertain that there is no reason for denying the identification and to determine if the person has a pending retraining.

Duplicates shall reflect they are duplicate and all previous records shall be noted in them, as well as, the original expiration date. The fact shall be entered in the person's record.

ARTICLE 25: EMPLOYEE RESIGNATION

If an employee with a Buyer appointment is transferred to another agency, resigns or is dismissed from employment his appointment shall automatically become null and void and he shall have to turn-in his identification to the Area.

The agency head must notify the Administration of the transfer, resignation, or dismissal of any employee appointed Buyer while employed in his agency.

SECTION F: BUYERS FUNCTIONS AND OBLIGATIONS

ARTICLE 26: COMPLIANCE WITH RULES

The Buyer shall have to comply with the rules and directives issued by the Administrator and the Secretary of the Treasury. The Delegate Buyer shall make sure that his agency complies with the rules regulating Government acquisition.

ARTICLE 27: SUPERVISION

1. By Delegate Buyer

The Delegate Buyer is obligated to supervise Subdelegate Buyers in his agency and shall answer for their work to the agency head.

2. By Subdelegate Buyers

In those agencies in which Subdelegate Buyers are placed in geographic regions physically separated from the central office of the agency, the Subdelegate Buyer must supervise and ensure the adequate processal of purchases in his region.

ARTICLE 28: PURCHASE CENTRALIZATION IN AGENCY

Anything related with purchases should be centralized in only one unit in each agency. A Delegate Buyer shall be in charge of said unit. He shall coordinate purchase transactions of his agency to prevent duplication.

To guarantee this, every Subdelegate shall send to the Delegate Buyer of the agency a copy of every purchase order within twenty-four hours (24).

1. Verification

Before issuing a purchase order, Buyer shall ensure the following:

- a. Item requested is not available in the Administration.
- b. That no order has previously been issued for the same purpose:
 - 1) By Subdelegate
 - 2) By Delegate
 - 3) By the Administration

2. Information

The Delegate shall circulate a copy of all contracts or regulations received from the Administration, among the Subdelegates in his agency, making sure that they understand and implement it.

3. Auditing of Discrepancies

The Buyer shall have to be available when the Receiver so requests, to solve any doubt or discrepancy arising in relation to the specifications in a purchase order and what is being delivered and accepted by the Receiver.

ARTICLE 29: NEEDS ESTIMATE

The agency head shall have to submit an estimate of his agency's needs. The Delegate Buyer shall compile internally the information pertaining to the consumption of goods and needs for works and services for the following fiscal year. The Delegate Buyer shall prepare an estimate of purchases and shall schedule them to fill the needs of his agency. Said estimate shall be submitted for

approval to his agency head who shall send it to the Administration within the time allotted by it.

When preparing the estimates of needs, the Delegate Buyer has to abide by the following:

1. Grouping of Needs

It shall be the responsibility of all Delegate Buyer to make sure that from the information submitted to them internally in their agency the annual needs for goods, works, and individual services for which there are the necessary funds, be grouped together, so that they may be acquired at the same time and at the same formal bid.

ARTICLE 30: GOODS, WORKS, AND SERVICES CONTROL

When a Buyer has been limited in relation to the goods, works, and services to be acquired, he can not issue orders in violation of that limitation.

The Delegate Buyer is responsible for indicating in writing, to the Subdelegates violating this limitation.

ARTICLE 31: PURCHASE AMOUNT CONTROL

No Buyer shall be able to issue purchase orders in excess of the maximum amount authorized by the Administrator or set by his agency head. Said amount shall never be greater than the maximum amount established in these regulations.

The Delegate Buyer is responsible for indicating in writing to the Subdelegate Buyers violating this limitation.

1. Determination of Limitation Infringement

This limitation shall be infringed given the following:

- a. When Buyer exceeds the maximum amount authorized
- b. When Buyer splits orders

1) Splitting - Definition

Splitting occurs when more than one purchase order in amounts which do not exceed the maximum amounts authorized to the Buyer are issued in a relatively short period of time to one or several bidders to acquire goods, services or works for the same purpose.

ARTICLE 32: FUNDS VERIFICATION

When issuing any purchase order, it shall be the responsibility of every Buyer, to check that sufficient funds are obligated for such a purpose.

1. Record

To evidence that this function has been performed, the Buyer shall have to obtain a certification of funds from the Finance Director of his agency or his authorized representative, before beginning acquisition activities.

a. Prohibition

Agencies heads shall be responsible for making sure that these two (2) functions are not performed by the same employee.

b. Certification Issuance Procedure

Certification of funds shall be issued by the Finance Director or his authorized representative, filling out the form provided for it.

1) Obligations of the Finance Director

The Finance Director has the obligation of establishing the internal mechanism ensuring that the funds obligated and separated for one are not utilized for other purposes.

ARTICLE 33: PURCHASE ORDERS DISTRIBUTION

When issuing a purchase order the Buyers shall have to immediately distribute copies of such order in the amount stipulated in the instructions in the form, to the following:

1. The corresponding Administration Area;
2. Official Receiver of his agency;
3. Property Custodian;
 - a. If the order was for equipment acquisition
4. Delegate Buyer:
 - a. If the order was issued by Subdelegate Buyer
5. Finance Director of his agency and
6. Treasury Department

ARTICLE 34: BREACH OF CONTRACT

Every Buyer has the obligation of directly notifying the Administration about any bidder not complying with the terms and conditions of a purchase order issued by him; notwithstanding the procedure followed in the Administration or by the Buyer for the formalization of the contract against which said order was issued.

ARTICLE 35: MONTHLY REPORT

Buyers shall have to submit monthly reports concerning their purchase activities, subject to the following:

1. Person Receiving Report

The Delegate Buyers shall submit their reports to the Assistant Administrator and the Subdelegate Buyer to the Delegate Buyer of his agency.

2. Submittal Time

The Monthly Report to the Administration shall have to be completed and duly submitted no later than the tenth (10) day of each month.

The Subdelegate Monthly Report shall be sent to the Delegate Buyer completed and duly submitted to him no later than the fifth (5) day of each month.

3. Content

The Buyer's Monthly Report shall contain the following information:

- a. Date of Report
- b. Name of Delegate Buyer
- c. Number of Delegate Buyer
- d. Name of agency
- e. Purchase order breackdown
 - 1) Number of each purchase order issued that month
 - 2) Date of each order
 - 3) Goods, works, or services object of each order
 - 4) Amount acquired
 - 5) Total amount of each order
 - 6) Total number of orders issued that month
 - 7) Total amount for the month

f. In those agencies in which the Delegate Buyer has to supervise Subdelegate Buyers:

- 1) Copy of the Monthly Report submitted by each Subdelegate Buyer
- 2) His certification of verification and approval of said Report

4. Purpose

- a. To have some knowledge of the activities that took place during the period covered by the Report
- b. To find out if the rules in effect were complied with in the transactions concluded.

1) Effect

If the rules have not been complied with, the Administrator shall investigate the cause and take pertinent action, subject to the following:

- a) If as a result of the investigation, it is determined that the errors committed were due to ignorance of the rules and procedures, the Buyer shall be immediately summoned to the Administration for retraining.
- b) If it is determined that the cause lies in an involuntary error, it shall be indicated verbally to the Buyer involved.
- c) If it is determined that it was due to negligence, depending on the seriousness of the fault, one of the following courses of action shall proceed:

- (1) Written admonition
 - (2) Appointment suspension
 - (3) Appointment revocation
- d) If the fault was due to hierarquical obedience, as expressed in the Penal Code of 1974, as amended, the Administrator shall indicate it to the agency head, so that he may undertake the pertinent measures.
- e) If the investigation should show that any law or regulations have been maliciously infringed, it shall be submitted to the Department of Justice for corresponding action.
- c. Maintain statistics on the volume of purchases to facilitate the decision of the course to follow in Government purchases and evaluate delegate purchases.

PART III: PROCEDURES

SECTION A: IN GENERAL

ARTICLE 36: CLASSIFICATION OF PROCEDURES

The Buyer is the one who initiates and completes all acquisition transactions in the Government. To such effect he has to intervene in the following acquisition procedures in one or all their stages:

1. Formal Bid
2. Informal Bid (Various types)
3. Open Market (Various types)

When intervening in each one of the procedures established in this Part, the Buyer has to adhere to all the rules established in these regulations, in the "Acquisition Regulations" of the Administration and the "Formal Bids Regulations" of the Administration and any rules established by the Administrator, as well as, with any related fiscal rules established by the Secretary of the Treasury.

SECTION B: FORMAL BIDS

ARTICLE 37: PROCEDURE DESCRIPTION

1. Definition

Formal Bid is the procedure utilized in the Government to acquire or sell, specially adopted in the "Formal Bids Regulations" of the Administration.

2. Application

The general rule for Government acquisition in that anything procured by the Government shall be acquired through a formal bid procedure, unless excluded from said procedure by a law or the corresponding Administration regulations.

The formal bids shall be the procedure used to dispose of Government goods through their sale, provided that the Government has so determined through the Administrator; in which case, the proceedings preliminary to the formal bid shall be conducted according to the provisions of the "State Surplus Property Regulations".

3. Handling

The formal bid shall be in charge of the Purchase and Contract Office of the Administration, unless the Administrator has delegated its handling to a specific agency.

Transactions prior to the submittal of an acquisition by formal bid application to the Administration, shall be in charge of the agency's Delegate Buyer, subject to provisions stipulated further on.

ARTICLE 38: PROCEDURE PRIOR TO FORMAL BID

1. Application Evaluation

When a Buyer evaluating an acquisition requisition determines that it must be transacted by means of formal bid, he will proceed in the following manner:

a. Verification with the Administration

The Buyer shall check if the goods, works, or services can be supplied, executed or rendered by the Administration; or if there is or shall be in effect a contract with the Administration for item is requested.

b. Exceptions Verification

The Buyer shall check to see if there is any cause exempting a formal bid, utilizing the criteria stipulated in the applicable law and the "Acquisition Regulations" of the Administration.

c. Funds Verification

The Buyer shall verify if at the moment of the acquisition there are enough funds available, separated and obligated by the Finance Director of his agency or said Director's authorized representative, who shall certify it by signing the corresponding form.

2. Requisition Review

Once a Subdelegate Buyer has cleared out the corresponding transaction, he shall refer the requisition to the agency Delegate Buyer, he shall review it with special attention to the following:

a. Specifications

The Delegate Buyer shall review the requisition making sure the specifications, the goods, works, or services requested are complete and correctly indicated in the requisition.

1) Exception

When acquiring computers, microphotography printing, construction or agricultural equipment, any means of air, sea, or land transportation or construction works the specifications will be those established by the Administration following the corresponding viability study and subject to the rules established by the Administrator to such effect.

b. Conditions

The Delegate Buyer shall ascertain that the requisition includes all the conditions and terms in which the unit in his agency generating the requisition desires the corresponding rendering, delivery, or execution.

c. Funds Certification

The Delegate Buyer shall make sure that the corresponding funds certification duly completed has been included in the requisition.

d. Time Allotment

The Delegate Buyer shall make sure to correctly notify the urgency desired in the handling of the requisition.

3. Requisition Remittance

The Delegate Buyer shall be the only person at agency level with the obligation of reviewing the applications in

light of the "Formal Bids Regulations" of the Administration, and shall be the person who shall remit such application to the Administration for submittal to formal bids procedure.

a. Requirement prior to Remittance: Approval

Every application for acquisition by formal bid shall have to be approved by the agency head or his authorized representative before being referred by the Delegate Buyer to the Administration.

ARTICLE 39: PROCEDURE SUBSEQUENT TO FORMAL BID AWARD

1. Bid Award

The formal bid shall always be awarded by the Board of Bids of the Administration, or by the Board of Bids of the agency, when the Administrator has thus delegated it except that when acquiring the goods, and works enumerated in paragraph a 1) of section 2, article 38, it will not be delegated to the agencies.

2. Steps Subsequent to the Award

Once the Board of Bids has awarded a bid, and a contract has been formalized the agency shall be notified according to the procedure established in the "Formal Bids Regulations" of the Administration.

The Administration shall issue the purchase order or orders against the contract awarded and shall notify the agency for its information and subsequent transactions.

3. Annual Contracts

The Buyers shall issue purchase order against annual contracts according to the provisions of the "Acquisition Regulations" of the Administration.

a. Issuance of Orders Against Annual Contracts - Effect

When a Buyer issues a purchase order against an annual contract, the limitations concerning maximum amount, or goods, works, and services contained in his appointment will not be applicable.

SECTION C: INFORMAL BIDS

ARTICLE 40: DEFINITION

1. Creation

The informal bid procedure is hereby established and shall be utilized in the Government for the acquisition of goods, works, and services when the complexity and cost of a formal bid is not justified.

2. Application

This procedure shall be utilized when the acquisition transaction to be carried out is exempt from being conducted by means of a formal bid because of the amount involved, subject to the following:

a. Goods and Services

If the acquisition of goods or services is involved and the amount is four thousand dollars (\$4,000.00) or less, except that when services related to construction works the amount will be ten thousand dollars (\$10,000.00) or less.

b. Construction Works

If the construction work requested amounts to a total of twenty-five thousand dollars (\$25,000.00) or less.

3. Non-Applicability

Even when the amount involved falls within the limits mentioned, this procedure shall never be used in the following cases:

a. Surplus

When Government surplus property is to be sold

- 1) In such cases the procedure established in the "State Surplus Property Regulations" of the Administration shall be followed.

b. Exemptions

When the transaction to take place is exempt from being conducted by means of a formal bid procedure, as a consequence of any cause established by law or regulations not involving the amount.

- 1) In such cases the procedure corresponding to the specific cause according to the "Acquisition Regulations" for the Administration shall be followed.

4. Guarantees

Upon utilizing this procedure, the Buyer shall make sure to guarantee adequate competition, recruiting the largest number of bidders possible, which may not be less than three (3), whenever possible, thus benefitting Government interests.

5. Handling

The informal bid shall be handled:

a. In the agencies

By Authorized Buyer

b. In the Administration

By the Assistant Administrator, or his authorized representative, when the bid is executed for another agency; if it is internal, it shall be handle by the corresponding Administration Buyer.

6. Handling Methods

Depending on the amount involved, the informal bid shall be conducted according to the procedures established in this section.

ARTICLE 41: DETERMINATION OF PROCEDURE TO BE FOLLOWED

Once the Buyer has determined that the request shall be processed by means of the Informal Bid Procedure, he has to conduct said bid according to one of the four (4) methods hereby established.

ARTICLE 42: PROCEDURE UP TO FIFTY DOLLARS (\$50.00)

If a request for goods or services is involved and the amount at issue fluctuates within one cent (0.01¢) and fifty dollars (\$50.00), the following procedure shall be complied with:

1. Application Form

The unit generating the request in the agency, shall complete the application form provided, making sure to include the following information:

- a. Specifications
- b. Conditions
- c. Purpose
- d. Funds certification

2. Informal Bid Record

Upon receiving the application, the Buyer shall review, approve, process it, opening up the corresponding informal bid records file, according to the system established by the Administrator.

3. Bidder Selection

The Buyer shall select from the Administration Bidders Registry those that according to the need of the moment may be the most practicable ones.

4. Bids Requests Based on Equal Conditions

The Buyer shall meet the corresponding form in which he shall indicate the information to be supplied to each bidder and shall proceed to solicit by telephone his bid.

The Buyer shall have to supply in identical way the specifications and conditions requested and the term within which bidders will have to make their offer to have them considered.

5. Proposal

The bidders may make their proposals at the moment of the request or sometime after it by telephone, within the time established by the Buyer, which time will be the same for all.

6. Summary of Proposals and Bid Award

Once the term set by the Buyer for the proposals has ended, he shall proceed with the Award.

Using the form provided by the Administration for this purpose, he shall itemize the following information from the proposals received:

- a. Subject matter and number of the informal bid
- b. Name, address, and telephone of each bidder called for bid
- c. Name of the person in the business to whom the bid was requested
- d. Date and hour in which the bid was requested of each bidder
- e. Time given each bidder to submit his proposal
- f. Terms in which each bidder made his proposal, if he made it
- g. If he Bid, price and conditions
- h. Award including:

1) name of bidder

2) basis for Award

a) Informal bid may not be awarded if the lowest bid or the best exceeded fifty dollars (\$50.00) in which case, he will have to carry out the corresponding procedure.

i. Basis for rejection of other proposals

j. Buyer's certification to the effects that he supplied the same information to all

k. Date and signature of Buyer.

7. Notification

a. To all Bidders

The Buyer shall notify by telephone the Award to the successful bidder.

b. To the Successful Bidder

Once the Buyer notifies the bidder by telephone of the Award in his favor, the successful bidder shall have to confirm his acceptance before the delivery of the purchase order which may be issued simultaneously with the notification of Award.

8. Contract

The contract shall consist of the following documents:

a. The original requisition approved by the Buyer

b. Summary of proposals and Awards

c. Confirmation of the successful bid

d. Copy of the purchase order which shall certify the execution of the contract

1) Buyer shall issue the purchase order simultaneously with the Award but may not deliver it to the successful bidder until he receives from the bidder, in writing, his confirmed bid.

ARTICLE 43. PROCEDURE UP TO TWO THOUSAND DOLLARS (\$2,000.00)

When requesting price and conditions for goods or services whose amount fluctuates between fifty dollars and one cent (\$50.01) and two thousand dollars (\$2,000.00), the procedure stated below shall be followed:

1. Requisition

The unit generating the requisition form the agency shall fill out the form thus provided for, making sure to include the following information:

- a. Specifications
- b. Conditions
- c. Purpose
- d. Funds Certification

2. Informal Bid Record

Upon receiving the requisition, the Buyer shall revise, approve, and process it, opening the corresponding informal bid record file, according to the system established by the Administrator.

3. Bidder Selection

From the Administration Bidders Registry, the Buyer shall select those that according to present needs, are the most suited, guided by location, acceptability and capability criteria.

4. Bids Requests Based on Equal Conditions

The Buyer shall complete the corresponding form in which he shall indicate the information to be supplied each bidder and shall proceed to request their bids by telephone.

The Buyer shall have to supply and identical form to each bidder, thus specifications and conditions requested as well as time allotted for entering their bids, so they may be taken into consideration.

If the bidder so requires, he shall give him a copy of the completed form, containing the specifications and issuance of terms of the informal bid.

5. Proposal

Bidders shall make their proposal simultaneously upon request or subsequently by telephone within the time established by the Buyer, which will be the same for all.

The bidder interested in having his bid considered for Award, shall have to confirm it within the terms set by the Buyer.

6. Summary of Proposals and Bid Award

Once the term set by the Buyer for entering written proposals has expired, he will proceed to evaluate them and make the Award in agreement with the regulations in effect.

In order to facilitate and register the Award, the Buyer shall itemize the proposals, filling the form provided for this by the Administration, in which the following information shall be included:

- a. Subject matter and number of informal bid;
- b. Name, telephone, and address of each bidder called for a bid;
- c. Name of the person in the business of whom the bid was requested;
- d. Date and hour in which the bid was requested from each bidder;
- e. Manner, date and last hour given to each bidder for written bid confirmation;
- f. Time in which each bidder made his proposal, if he made it;
- g. Date in which proposal confirmation was received from each bidder;
- h. If he did, price and conditions;
- i. Award, including:
 - 1) Name of successful bidder and
 - 2) Basis for Award
 - a) Informal bids may not be awarded if the lowest or best proposal exceeds two thousand dollars (\$2,000.00); in which case, the procedure corresponding to the amount shall be followed.
 - 3) Basis for rejection of unsuccessful bids
- j. Buyer's certification of having supplied the same information to all and
- k. Date and signature of Buyer.

7. Notification

a. To Successful Bidder

Buyer shall notify the award by telephone to the successful bidder.

b. Unsuccessful Bidder Notification

The Buyer shall notify the unsuccessful bidders by telephone of the basis for rejection of their bids.

If one of them requests it, the decision may be confirmed in writing.

8. Contract

The contract shall consist of the following documents:

- a. The original requisition approved by the Buyer
- b. Written proposal of the successful bidder
- c. Summary of proposals and Award
- d. Purchase order copy

ARTICLE 44: PROCEDURE UP TO FOUR THOUSAND DOLLARS (\$4,000.00)

When the request for goods and services involved fluctuates between two thousand dollars and one cent (\$2,000.01) and four thousand dollars (\$4,000.00) the procedure below shall take effect:

1. Original Requisition

In the form provided for it by the Administration, the unit in need shall record, complete, and submit the following:

- a. An exact specification or description of the need, except in those cases expressly stipulated in these regulations or where the Buyer has thus stipulated it in his agency;
- b. Conditions under which the need arises;
- c. Purpose and use for which requested material is destined;
- d. Certification of available funds, separated and obligated.

2. Record

When the Buyer receives the request for acquisition, he

shall initiate the transaction opening a record file which he shall enumerate according to the system established to such effects by the Administrator, said record file shall include all the documents arising in the transaction.

3. Bidder Selection

When determining bidders from whom bids shall be requested, the Buyer must take into consideration the following criteria, when they are in order:

- a. He shall verify that these bidders are registered in the Bidders Registry;
- b. He shall make sure that they are located near or easily accessible to the place where the Government needs originates; or available to transfer themselves to such a place in short notice.

4. Requesting Bids

Once the Buyer has verified or corrected and duly completed the application, he shall start requesting bids in the following manner:

a. Invitation to Bid

On simultaneous date, the Buyer shall send all bidders selected, who cannot be less than three (3) the invitation to an informal bid. Said remittance shall be done in a sealed envelope identified in its exterior as an "Invitation to an Informal Bid".

1) Contents

The invitation to an informal bid shall clearly contain the following:

- a) specifications of the item requisitioned
- b) conditions regulating the contract while in effect
- c) all the requirements and formalities that will have to be completed if the informal bid is awarded to them.

b. Bid Proposal Term

In the Invitation, the Buyer shall set the term in which the bidders shall submit their bids. Said term shall be set according to his needs and work schedule and it shall start counting from the date of Invitation remittance.

c. Bids Opening Warning

Upon setting the date and latest hour for bid presentation, the Buyer shall indicate the place where the bid opening shall take place and that the opening will be public.

5. Proposals

The bidders shall enter their written proposals in a form provided for this by the Administration and shall deliver them in sealed envelopes identifying their exterior with the number of the informal bid and with the name of the corresponding Buyer. The delivery of the proposal shall be made in the form established by the Buyer when requesting them.

6. Opening

On the date, hour and place set, the Buyer shall proceed to open the proposals received. If there should be any bidder, the Buyer shall read such proposals and shall place them at the disposition of those present.

7. Summary of Proposals

In the form provided for it, the Buyer shall itemize proposals received according to the following information:

- a. Date and hour in which each proposal was received
- b. Name of Bidder
- c. Price
- d. Shall indicate if bidder complied with the specifications, terms and conditions
- e. Any other information Buyer may deem pertinent to include and which he has considered decisive in the award.

8. Bid Award

The Buyer shall award the Informal Bid in favor of the Bidder submitting the most reasonable bid within the specifications, terms, and conditions requested; provided, said bid constitute a stable source of supplies, that the price does not exceed four thousand dollars (\$4,000.00) and the terms offered be the most advantageous to the Government, according to the rules established in the "Board of Bids Regulations" of the Administration.

The Buyer shall certify the award made using the official form provided by the Administration.

9. Notification of Award

The Buyer at his discretion, shall inform verbally at the opening, to whom the informal bid has been awarded; but irrelevant of whether he informs this or not, within the next twenty-four (24) hours, utilizing the form provided by the Administration,

he shall notify all the Bidders submitting bids about the final award and the reasons for the rejection of the unsuccessful bids.

10. Contract

The contract shall consist of the following documents:

- a. The original requisition approved by the Buyer
- b. The Successful Bid
- c. The Notification of Award
- d. Copy of the Purchase Order
 - 1) Purchase Order Issuance

The Buyer, at his discretion and at that of his agency, shall compliment the Award Notification to the successful bidder with the Purchase Order.

ARTICLE 45: PROCEDURE UP TO TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00)

1. Application

The procedure for up to twenty-five thousand dollars (\$25,000.00) shall be followed when the acquisition involves a construction work and the Construction and Conservation of Public Buildings Area of the Administration determines to carry it out by contract and the total amount of the same fluctuates between one cent (1¢) and twenty-five thousand dollars (\$25,000.00).

2. Handling

The informal bid within this scope shall be handled by the person delegated by the Assistant Administrator for Construction.

3. Handling Methods

The procedure for the informal bid in this scope of up to twenty-five thousand dollars (\$25,000.00), shall be handled according to the provisions of the "Acquisition Regulations".

ARTICLE 46: PROCEDURE UP TO TEN THOUSAND DOLLARS (\$10,000.00)

1. Application

The procedure for up to ten thousand dollars (\$10,000.00) shall be followed when the acquisition involves a service related to construction works and the Construction and Conservation of Public Buildings Area of the Administration determines to carry it out by contract and the total amount of the same fluctuates between one cent (\$.01) and ten thousand dollars (\$10,000.00).

2. Handling Methods

The procedure for the informal bid in this scope of up to ten thousand dollars (\$10,000.00) shall be handled according to the provisions of the "Acquisition Regulations".

SECTION D: OPEN MARKET

ARTICLE 47: GENERAL DEFINITION

1. Definition

Open market is a special acquisition procedure followed in the cases indicated in these regulations and in the "Acquisition Regulations" of the Administration.

2. Application

Acquisition by means of open market is permitted in the following cases:

- a. When the goods, works, or services to be acquired are exempted by Law or regulations from being obtained by a formal bid by reason of any cause other than the amount involved, in which the procedure is the informal bid.
- b. When there is a contract in effect for what is being acquired to whose terms the Contractor does not want to comply with.

3. Handling

Acquisition by open market shall be handled by the authorized Buyer or the Administration; subject to the provisions of the "Acquisition Regulations" of the Administration.

4. Handling Procedure

Open market acquisition shall be conducted according to the procedure corresponding to the cause necessitating this type of acquisition, as established in the "Acquisition Regulations" of the Administration.

5. Criterion for Procedure Determination

In order to determine which of the procedures established in the "Acquisition Regulations" shall be followed for open market acquisition, will depend on the cause, subject to the following:

a. Emergency Procedure

To be utilized in case of emergency situation.

b. Only Source Procedure

Used when acquisition to be made, can be provided by only one person or entity.

c. Procedure with Governments

This procedure shall be used when acquiring from the Government of the United States of America or a Foreign Country Government.

d. Minimum Price Procedure

To be followed when what is to be acquired has had a minimum price set by a governmental authority.

e. Uni-personal Service Procedure

Shall be used when acquisition involves the rendering of services by only one person.

f. Multi-personal Service Procedure

This procedure shall be used when acquisition requested involves the rendering of any services by juridical persons, groups, or entities and depends on more than one person or several persons in sequence and related activities, rendering different services.

g. Procedure Stipulated by Law

Must be followed when there is a law establishing a special procedure for the specific transaction at issue or because of circumstances involved.

h. Contract Non-Compliance Procedure

Used when there is a contract in effect for what is requested and the Contractor refuses to deliver the goods, execute the work or render the services, under the terms of said contract.

✓ PART IV: TEMPORARY MEASURES AND FINAL PROVISIONS

ARTICLE 48: BUYERS UNDER PREVIOUS REGULATION

A thirty (30) day grace period, beginning on the date these regulations become effective, is hereby granted in which the agency heads shall submit their candidates. Once said period has expired, if no candidate recommendation has been submitted by the agency, it shall be understood that the agency is not interested and does not have the need for the appointment of a Delegate Buyer for said agency.

Incumbents on the date these regulations come into effect shall be considered Buyers with temporary appointments; the only ones thus considered under the provisions of said regulations and under which ninety (90) days after the effective date of these regulations, no purchases may be conducted.

ARTICLE 49: RECORDS

1. Creation of New Records

All irregularities in purchase procedures indicated to the Buyers prior to the effectiveness of these regulations, shall be eliminated from their records as Buyers and will not affect in any way their future record or their possibilities for awards, or recognition as Buyers.

2. New Records Contents

For each person appointed Buyer, the Area shall keep a file containing the following:

- a. Appointment documents:
 - 1) Buyer requisition
 - 2) Recommendation
 - 3) Certification
 - 4) Appointment
- b. Copy of Monthly Reports
- c. Any other communication between Area and Buyer
- d. Audit Report
- e. Irregularities Reports
- f. Purchase Orders Records
 - 1) This information shall be kept in a form specially designed for it. The following information shall be included:
 - a) Purchase Order's Date
 - b) Number of Purchase Order
 - c) Number of bid or of contract against which the order is issued, or
 - d) Procedure used previous to the order issuance.
- g. All other documents related with the Buyer.

ARTICLE 50: INCENTIVES AND AWARDS PROGRAM

Incentives and awards program for the annual recognition of the efficient labor performed by the Government Buyers is hereby established in the Administration. Said program shall be in charge of the Assistant Administrator.

ARTICLE 51: VIOLATIONS AND PENALTIES

Any person, official or employee of the Government submitting any incorrect or fraudulent information with the purpose of being issued an appointment as Buyer; any Buyer lending or negligently disposing of his identification to any person; or lending his authorization to another person with the purpose of being identified as a Government employee without being one; or being one, the Buyer or other person to whom his identification is given, utilizes it to gain access to purchase documents or for persuading an agent of the public order to act in his favor; or to third persons so they may deliver goods to him, shall be subject to applications of any of the penalties established in these regulations.

If following an investigation to such effect, the Administrator determines that a person has incurred in a violation of any one of the provisions of these regulations, he shall be subject to one or more of the following penalties:

1. May be subject to indictment as established in Article 32 of Public Law 164 of July 23, 1974, as amended, known as the "General Services Administration Act". Said Article in its second paragraph provides that any person infringing anyone of the regulations issued under said Law, shall incur in a misdemeanor and, if convicted, shall be sentenced to pay a fine of no less than fifty dollars (\$50.00) and no greater than two-hundred and fifty dollars (\$250.00); or imprisonment for a term no less than one (1) month nor greater than six (6) months; or both penalties, at the discretion of the Court.

2. A civil suit may be brought against him to recover the amount at issue, as stipulated in Section 8 of the Public Law 96 of June 29, 1954, as amended, known as the "Purchases and Services Act". Said Section provides that any purchase order or contract executed in violation of this Law or of the regulations adopted under it, shall be null and void and if public funds were invested in its cause, they may be recovered on behalf of the Government by a suit filed for such purposes.
3. His appointment as Buyer may be suspended or revoked.
4. The case may be referred to the agency head, so that at his discretion, he may proceed to impose upon him one of the sanctions authorized by Article 6 of Public Law No. 5 of October 14th, 1975, as amended, known as "Public Service Personnel Act of Puerto Rico".

ARTICLE 52: DEROGATIONS

Section VIII of Regulation Number 2 of the Administration "For the Control of Purchases under Public Law No. 96 of June 29, 1954, as amended"; Circular Letters 03-73 of June 23, 1973; and 7-73-7 of June 10, 1973; 75-16 of November 13, 1974 and any other rule approved and circulated prior to these regulations, are hereby repealed.

ARTICLE 53: DOCUMENTS AND PROCEDURES- TEMPORARY EFFECTIVENESS

All forms, documents or special procedures not covered in these regulations involving this same subject matter even if approved under other regulations repealed by these, shall maintain their effect until new forms have been issued and new procedures approved.

ARTICLE 54: EFFECTIVENESS

These regulations shall enter into effect thirty (30) days after their presentation at the Department of State of the Commonwealth of Puerto Rico, according to the provisions of Public Law No. 112 of June 30, 1957, as amended; better known as the "Regulations Act of 1958".

Approved in San Juan, Puerto Rico, on the *18th* day of *June* of 1979.


LEOPOLDO MERCADO SANTINI
ADMINISTRATOR