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GOVERNMENT SURPLUS PROPERTY

To establish the rules that shall  
regulate Government surplus  
property, procedures for said  
property's disposal

SURPLUS PROPERTY REGULATIONS

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## SECTION A: INTRODUCTION

### ARTICLE 1: TITLE

These regulations shall be known as the "State Surplus Property Regulations".

### ARTICLE 2: SOURCES OF THE LAW

These regulations are adopted in accordance with the powers conferred upon the Administrator by paragraphs "j" and "r" of Article 14, sub-paragraph "a" of article 16; and sub-paragraph 1 of paragraph "a" of article 18 and article 20 of Public Law No, 164 of July 23, 1974, as ammended; Section 3 of Public Law No. 88 of May 31, 1967, as ammended; and article 2 of Public Law No. 61 of June 20, 1978.

### ARTICLE 3: PURPOSE

These regulations are adopted to establish the general rules for use and custody of Government property; the guidelines for declaring said property as without adequate use or unuseable; set forth the rules for determining property use and need; indicate the method for declaring "surplus" government property; and establish the rules to be followed upon receipt, assignment and transfer of government property.

### ARTICLE 4: JURISDICTION

These regulations shall control any type of transaction executed in Government for deactivating property; for reuquesting assignment of property declared surplus, and for giving in trade-in Government property.

ARTICLE 5: SCOPE

These regulations shall apply to all of those Government agencies obligated by law to dispose of their goods, through the Administration, or that voluntarily request so; to all private non-profit organizations and to all natural or juridical persons that directly or indirectly acquire from the Government and property declared surplus.

ARTICLE 6: INTERRELATION WITH OTHER RULES AND REGULATIONS

The provisions of these regulations shall not be interpreted solely by themselves. In order to implement them, it is necessary to be acquainted with "Board of Bids Regulations" of the Administration, as well as the provisions of those special such as the "Seuzire Act", the "Acquired Goods Act", Criminal Procedure Rule 251", Government property regulations approved by the Secretary of the Treasure and others.

ARTICLE 7: INTERPRETATION RULES

The words and phrases in these regulations shall be interpreted according to their context, meaning, and current usage. Those used through these regulations shall be defined in this Article; when for greater clarity it is necessary to do so, the terms shall be defined in the corresponding section.

The following words and phrases are abbreviated terms or the equivalent in meaning of the phrases listed below.

1. Administration - The General Services Administration
2. Administrator - The Administrator of the General Services Administration
3. Agency - All the component organisms of the Government including the Administration.

4. Surplus Warehouses - Administration warehouses where Government surplus property is kept, classified by types and use.
5. Area - Any of the following areas of the Administration, Purchase Area, Services and Supplies, Construction and Building Maintenance Area, and the Transportation and Motor Vehicles Maintenance Area.
6. Property Manager - Official that, upon request of the Secretary of the Treasury to be in charge of the control and accounting of active Government property in each agency.
7. Government - The Government of the Executive Branch of the Commonwealth of Puerto Rico, excluding public corporations and municipalities.
8. Board of Bids - The Board of Bids of the Administration which is the organism in each one of the areas of the Administration in charge of implementing the "Board of Bids Regulations" of the Administration, as well as evaluating and awarding formal bids.
9. Chattels - Those goods of relative permanence and value that can be transferred from one place to another without damaging the real property to which it was joined, and that can be of use without material breakage, or deterioration

of the object to which they were adhered, including among others, machinery, furniture materials, supplies, parts, provisions documents, transportarion means, office partitions, rugs, and any other chattels as defined in the "Civil Code of Puerto Rico", 1930 Edition, as amended.

10. Public Bid - Formal procedure utilized by the Government to acquire or sell goods, works and services, in conformance with the procedure established in the "Formal Bids Regulations" and in the "Acquisition Regulations" of the Administration.
11. Agricultural Value goods.- Any thing that by its designated use contributes to agricultural development.

ARTICLE 8: PUBLIC POLICY DECLARATION

1. General Public Policy

The Government Surplus Property Program is established in the Administration for the purpose of ensuring maximum utilization of all Government goods.

ARTICLE 9: SURPLUS PROPERTY DECLARATION

All those goods that upon having been subjected to the established procedures in these regulations are declared Government surplus property and those chattels that are within one or more of the following classification may be declared surplus property:

1. Low Performance Goods

Those goods that while in use by the Government have stopped performing at original capacity and requirement; or have not performed as well as expected of them.

2. Goods Not In Use

Those goods that are not use for the purpose for which they were acquired, or that are given any use at the agency to which they are assigned, or whose use has been discontinued at said agency or by the Government in general.

3. Obsolete Goods

Those that due to new development and technical or administrative changes have become obsolete, regardless of the time lapsed since their acquisition or their acquisition cost.

4. Unusable Goods

Those goods that cannot be used by the Government because their physical or mechanical condition is deteriorated and their repair is very costly or impossible.

5. Goods That Become Government Property

Those goods that are declared Government property by some law or that are in possession of the Government due to implementation of a special procedure established by one of the following laws or any other that could be enacted in the future:

- a. Public Law No. 39 of June 4, 1960, as amended, known as the "Uniform Vehicle, Vessel, and Beasts Seizure Act;"
- b. Public Law No. 88 of May 31, 1967, as amended, known as the "Acquired Goods Act."
- c. Public Law No. 2 of January 20, 1956, as amended, known as "Excise Act Of Puerto Rico";
- d. Criminal Procedure Rule No. 251, as amended;

- e. Public Law No. 143 of June 30, 1969, as amended, known as "The Beverages Act of Puerto Rico";
- f. Public Law No. 220 of May 15, 1948, as amended, known as "The Bolita Act and Other Illicit Games Act";
- g. Public Law No. 17 of January 19, 1951, as amended, known as the "Weapons Act of Puerto Rico";
- h. Public Law No. 4 of June 23, 1971, as amended, known as the "Controlled Substances Act of Puerto Rico";
- i. Public Law No. 134 of June 28, 1969, as amended, known as the Puerto Rico Explosives Act";
- j. Public Law No. 23 of June 20, 1972, as amended, known as the "Natural Resources Department Act".

6. Term Goods

Those goods whose maximum retention and use period by the Government, as established by law, regulations, or the Administrator, has elapsed.

a. Retention and Disposal List

When the Administrator has the necessary mechanism for it, he shall publish lists of chattels that in his best judgment should have retention and disposal periods established for them.

Those lists shall be drafted subsequent to the recommendations of Agency Heads that the Administrator deems should be consulted, including the Secretary of the Treasury and the Budget Bureau Director. Those Agency Heads who are interested shall be able to submit exclusive use chattels in their agencies for inclusion in the list, with specific retention and disposal periods.

The lists including documents shall be prepared according to the provisions of the "Public Documents Act", Public Law No. 5 of December 8, 1955, as amended, and regulations approved under it.

7. Left Over Goods

Those goods acquired for a specific purpose such as a construction, work, the printing of a book and others, at the end of which, there are left overs.

In the case of surplus goods it shall always be taken into account that in order to dispose of them, the disposal procedure established in these regulations must be followed.

8. Disposable Goods

Those residual goods that commonly could be considered trash, or disposed of as such; but that subjected to some inexpensive process or that without Government expense have commercial value, including among others the following.

a. Expendables

Those goods that deteriorate rapidly through use or constant use or because they can be easily destroyed or lost and considered by the Government as expendable materials upon accounting for them, such as staplers, hole punchers, scissors, knives and forks, cooking utensils, and all general equipment or minor tools whose acquisition value are under \$25.00.

b. Papers

Any document produced or received in the Government not controlled by the provision of the "Documents Act" or that has been rejected after its evaluation stage by the General Archives, prior to its disposal, such as but not limited to:

1. Internal Publications

Publications prepared by the agencies, such as copies of regulations, information of booklets, publicity posters, information literature for the public, annual reports, flyers and others that have been discontinued, are obsolete, or not applicable.

2. Forms

Discontinued, deteriorated, obsolete, or inapplicable due to amendment or derogation of laws that motivated them, or that have been altered or modified.

3. Exchange Literature

Books, newspapers, and other publications received at the agencies as donations, publicity or in exchange with other federal, state, municipal, public or private entities, which are of no further use.

4. Subscriptions

Any publication that in order for an agency to receive it, some payment or disbursement must have been made from the public treasury and whose retention in inventory is of no use.

5. Surplus Papers

In the case of the reproduction centers of the agencies, the cut offs from binding or centering printed materials and any other similar use in said activity. In the case of typists, stenotypists, and others, papers thrown away because of difficult correction errors or because they are

rough draft copies or blueprints.

In electronic data processing centers, all papers, documents or forms used during any of the data processing stages and that become useless once the information has been collected from them.

6. Other Documents

Any other document or paper that due to its nature could have commercial value in the open market.

c. Public Documents

Any public document rejected by the General Archive for lack of historical, fiscal or public utility value, once the Administrator authorized its disposition through destruction or sale.

d. Substances

Chemical substances with market value for purpose of no interest to the Government, discarded by the agencies or Government laboratories, such as X-Rays solutions and others.

SECTION B: FUNCTIONS AND OBLIGATIONS  
OF ORGANISMS AND PERSONNEL

ARTICLE 10: PROPERTY MANAGER

1. Definition

The Property Manager is that person who, upon recommendation of the Agency Head, is designated by the Secretary of the Treasury to be in charge of the control and accounting of Government property in the agency for which he is named.

2. General Functions

The duties and functions of the Property Manager are those expressly indicated by the Secretary of the Treasury in regulations approved to such effect.

3. Functions in Relation to Surplus Property

The Property Manager shall be in charge of initiating procedures related with surplus property in this agency. In the performance of this obligation he shall do the following:

- a. Notify the Administration of the existence of all property susceptible to being declared surplus.
- b. Prepare an inventory of said property in the form provided for it and shall send it to the Administration.

Contents

Said inventory shall contain the following information:

- a. Type of good,
- b. Classification,
- c. Acquisition or book value, as the case may be,

- d. Conditions or physical state,
  - e. Use to which it was destined in the agency,
  - f. Reasons for deactivating it.
- c. Maintain up to date all records of the property assigned to its agency.
- d. Send reports informing the Administration, when in order, on quantity, increase or decrease, alteration, modification, acquisition, loss, or disposal of said property.
- e. Shall be responsible and ensure that the personnel of the agencies with immediate control of the property answer for the adequate use of the same.

ARTICLE 11: Surplus Property Managers

1. Definition

The authorized representative of the Administrator in charge of Government Surplus Property shall be the Government Surplus Property Manager.

2. Appointment

The Administrator shall appoint a person from the Administration personnel to be in charge of the Government Surplus Property Program.

To facilitate his work, the Administrator shall designate as many Assistants Surplus Property Manager as necessary.

3. Obligations

a. Knowledge of Rules

The person appointed by the Administrator as Surplus Property Manager or any person designated as

an assistant manager, shall have to be acquainted with the rules that regulate the Government Property Manager as approved by the Secretary of the Treasury, the internal rules of each agency, and those that regulate the Surplus Property Program.

b. Enforcement or Rules

The Manager and Assistant Managers of the Surplus Program shall have to follow and enforce the rules that regulate the Surplus Program and everything related with the handling of the procedures relevant to this.

c. Custody

The Government Surplus Property Manager and Assistant Managers shall be the custodians of all Government property transferred to the Administration Surplus Warehouse under their charge. In the performance of this function they are obligated to:

1. Be responsible for the care of excess or surplus property while in the Administration.
2. Inform concerning any loss that the Government might suffer through improper or unauthorized use, robbery appropriation, misappropriation, unreasonable or unjustified deterioration, or loss or property. Initiate recovery or reimbursement procedures.
3. Be responsible for any damage caused to surplus property due to his negligence in the discharge

of his functions.

4. Propose and take all the necessary measures to adequately preserve and use all property under his jurisdiction.

d. Classification

Classify and organize surplus property to facilitate its disposal.

In order to do so, he is obligated to place and handle surplus property according to its nature, in conformance with the following categories:

1. Transportation means and accessory parts,
2. Office furniture and equipment,
3. Construction equipment and machinery,
4. Materials, supplies, foods and other fungible goods,
5. Highly specialized equipment and machinery
6. Any other category that the Administration may establish in the future.

e. Surplus Declaration

Declare Government property "surplus" according to the procedures established by law or by the Administrator for this purpose.

f. Disposal

Dispose of surplus property through one of the following methods:

1. Reassignment or transfer,
2. Sale,
3. Destruction.

SECTION C: PROCEDURE FOR RECEIVING AND  
DECLARING "SURPLUS" PROPERTY

ARTICLE 12: DEACTIVATING PROCEDURE FOR PROPERTY IN THE AGENCIES

Property Managers at the agencies shall deactivate the property assigned to their agencies except transportation means or automotive equipment or machinery. In so doing, they shall handle it according to the following procedure:

1. Petitionary Unit Notification

When a petitionary unit in the agency wants to retire from use goods assigned to it, it shall notify the Property Manager under which such unit lies.

2. Pick-up

The Property Manager shall inspect the good and upon finding it in equal or similar condition as to that in which it was delivered to the unit originally, shall pick-up the same and send them to a depot or central warehouse, the agency shall provide to that effect.

3. Receival

Once the good involved is received in said internal central warehouse, the Property Manager shall proceed to record it in the original delivery receipt, filling out that part of it provided for recording the return of said good.

Immediately, he shall also record in the card or record of the good involved, the fact that it is available for internal reassignment.

4. Internal Handling

The Property Manager shall notify all the branches of

his agency about the availability of those goods that can still be used or taken advantage of, and shall offer them to the different units in the branches of the agency, publishing a list of available goods.

a. Internal Reassignment

Should a unit within any branch of the agency be interested in an item on the list, the Property Manager under whose jurisdiction said good lies shall reassign it to said with.

5. Surplus Notification

If there are no units interested within the branches of his agency, he shall thus notify the Surplus Property Manager in the Administration using a Surplus Property Declaration Form.

a. Contents

Upon drafting notification of goods to be declared surplus, the following information shall be included:

1. Brief and clear description of the property,
2. Type of good
3. Property number in his inventory,
4. Acquisition, book or market value,
5. Name of the agency
6. Funds for acquiring or origin of the good,
7. Original acquisition date,
8. Location of good including the exact physical address,
9. Condition or state of the property which can be,

among others, one of the following:

- a. New,
  - b. Usable without repairs,
  - c. Usable with repairs,
  - d. Unusable and without value,
  - e. Unusable for original use destined, but with possible use for other purposes,
  - f. Any other specific condition of the property.
10. Quantity of units being deactivated,
  11. Unit cost and total cost,
  12. Reason for deactivation,
  13. Certification to the effect that notice was given to all branches of the agency and none were interested in the good,
  14. Signature of the Property Manager of the agency under whose jurisdiction the good is held.

ARTICLE 13: RECEIVAL AND SURPLUS DECLARATION OF DEACTIVATED GOODS  
PROCEDURE

1. Inspection

Upon receiving the form indicated in Article 12 of these regulations and if it is duly filled out, the Surplus Property Manager shall send a Surplus Program Inspector to physically see the good involved.

Once the Inspector sees the good, he shall verify it is complete or has some parts or pieces missing. Based on this inspection, the good shall be accepted or rejected.

a. Rejection

If the Inspector rejects the good, the Property Manager shall have to locate the parts or pieces missing and notify the Administration again for a new inspection, or justify for the loss of the same.

b. Acceptance

If the Inspector accepts the good, after notifying it officially, according to the provision to be mentioned further on, Agency Property Manager shall proceed to deactivate said good from the inventory of his agency, and the Surplus Property Manager shall proceed thereon.

2. Appraisal

Once it is decided to accept the good, the Surplus Property Manager shall appraise the same and the agency Property Manager shall be notified of it in a duplicate of the form that shall be returned to him.

3. Delivery

Immediately after notification of appraisal, the agency shall be authorized to deliver the property to corresponding Surplus Warehouse.

4. Registry and Inventory

Once the good has been accordingly received in the Surplus Warehouse, it will be entered in the Surplus Property Inventory, which shall be recorded in the form provided for it, containing the following information:

a. Surplus property number,

- b. Amount of units received and retained,
- c. Agency of origin,
- d. Value according to surplus appraisal,
- e. Any other information necessary according to the Inspector's, Appraiser's, or Agency Property Manager's criteria,
- f. Inspector's signature and certification.

ARTICLE 14: PROCEDURE REGARDING GOODS THAT BECOME GOVERNMENT PROPERTY

In conformance with the provisions of Public Law No. 88 of May 31, 1967, as amended, known as the "Acquired Goods Act", the Puerto Rico Police shall have custody and subsequently shall deliver to the Administration all those goods that have come into its possession as a result of official functions, except firearms and stolen or illegally taken property related with trials pending in the courts or those retained for investigation in the commission of a crime.

Handling of such property shall be as follows:

1. Custody

a. Perishable Goods

As soon as the Police is convinced that its owner cannot be located, it shall hand over to the Administration all those goods of a perishable nature or limited durability, for their disposal in accordance with the procedures the Administrator may establish to such effect.

b. Other Goods

Other chattels that are not in the perishable

or limited durability goods category will be under Police custody for a period of no greater than a year in conformance with the rules established by the Superintendent of the Police.

2. Notices

Every six (6) months, the Puerto Rico Police shall publish a general notice in the local newspaper and shall be able to also use other publicity media available, as the Superintendent of the Police may see fit, through which it shall describe each of the goods and will indicate the deposit centers, where these may be located and the availability of such goods for return to their legitimate owners, provided they show proof of ownership.

3. Certification and Title

If after a year in Police custody no legitimate owner claims the goods and subsequent to publication of at least one notice in a general circulation newspaper, the Police shall certify said facts in a form provided for it and shall send it with the certification from the newspaper where the notices were published. to the Surplus Property Manager.

4. Delivery

From the date of the Police certification on, the good shall be understood to be Government Surplus Property. The Surplus Property Manager shall inform the Police as to the site, warehouse, or place where such goods may be delivered.

5. Receival and Verification

Upon receiving the goods from the Police, the Surplus Property Manager or his authorized representative shall verify that the description of the goods in the form coincides with the goods delivered; in which case, he shall issue a preliminary receipt that shall only be good to formalize the delivery of the goods, and the duplicate of which shall be given to the agent making the delivery.

6. Appraisal, Classification and Registry

When the property is received the Surplus Property Manager shall order its appraisal. Once appraised, he shall classify it according to its nature and usefulness, and shall assign it the corresponding surplus property numbers, in conformance with the system established for it by the Administrator, and the surplus property declaration form shall be filled out.

ARTICLE 15: PROCEDURE FOR THIRD PARTY GOODS IN THE COURTS

All chattels in possession of the Courts that are not Government property and are not claimed by their legitimate owners within the periods established by law shall become property of the Government of Puerto Rico.

If after six (6) months from the final closing of the action which brought about the placing of said property under the jurisdiction of the Court, its legitimate owner does not claim it, the Court Officer under whose custody the goods

may be, using the form provided for it, shall notify the Surplus Property Manager who shall proceed to inform him of the place, date, and hour when said goods may be delivered.

Once the goods have been received, the Surplus Property Manager shall proceed to appraise, classify and register the goods, as stipulated in Article 14 of these regulations.

ARTICLE 16: PROCEDURE CONCERNING SEIZED GOODS

When as a consequence of having seized third party property under the provisions of the "Seizures Act", and after the term established by law has lapsed, no person interested in the good has posted bond for the release of the same; or filed an objection appeal; or there is no order from the Court to stop the good from being acted upon, the authority confiscating the good shall notify the Administration in the form thus provided. From the date of said notification on, the confiscated goods shall become property of the Government of Puerto Rico.

Upon said notification being received by the Surplus Property Manager, he shall proceed to register and number the property.

In the case of seized goods whose property titles can be registered, the corresponding authorities shall register it anew in the name of the Government of Puerto Rico, free of charges and liens.

1. Non-confiscable Goods

A year after the seizure of non-confiscable goods, seized in conjunction with confiscable goods and their subsequent custody by the Government, said non-confiscable good shall be delivered to the Surplus Property Manager, after completion

of the documentation to such effect required by the authority who seized them, in accordance with the procedure established by the Administrator for that purpose.

SECTION D: PROCEDURE FOR SURPLUS PROPERTY  
DISPOSAL

ARTICLE 17: REASSIGNMENT OR TRANSFER

The Surplus Property Manager shall be able to transfer property he has declared surplus to those agencies and entities, according to the established order of preference that, in his judgment and using the guidelines herein established, are the most in need of receiving said goods.

1. Procedure

a. Requisition

When an acquisition requisition is received in the Administration that, in the judgment of the corresponding Assistant Administrator, could be dealt with within the Surplus Program, he shall refer it to the Surplus Property Manager or the Assistant Manager, as the case may be.

The agencies and public or private entities shall also be able to submit to the Surplus Property Manager requisition for surplus goods.

1. Content

When the agencies or the entities submit requisition for surplus goods, they shall have to justify their requisitions in writing, specifying the need they have for the requisitioned goods and the use to which they shall be destined.

b. Selection Criteria

The Surplus Property Manager shall decide to what agency or entity the requisitioned property shall be assigned or transferred to, taking into account the following criteria:

1. Existing program, personnel, and equipment and that projected by the agency, or the organism or entity.
2. Budget available to the petitioner for the purchase of material, equipment and chattels.
3. Transportation cost for the surplus property from where it may be located to its new location, and willingness of the petitioner to be responsible for transportation of the goods.
4. Capability and need for maximum use of property.

c. Preference Order

To transfer or reassign surplus property, the Surplus Property Manager must assign it according to the following preference order, except when there is more than one petitioner in the same category, in which case selection shall be based on requisition filing date.

1. Agencies Under the Jurisdiction of the Administration
  - a. In these cases the property shall be transferred at no cost and numbered as regular agency property, according to the property accounting system established by the Treasury Secretary.
2. Agencies Exempted By Law From Being Under Jurisdiction of the Administration
  - a. In these cases the property shall be transferred subsequent to payment by the petitionary agency of the transfer, storage, and repair costs of the same.

ARTICLE 18: SALE

If none of the agencies with the right to reassignment or transfer of surplus property are interested in said available property, the Surplus Property Manager shall sell it, according to the order of preference stipulated later on.

In the case of motor vehicles, the procedure established in Article 20 of these regulations shall be followed.

1. Order of Preference

a. Government agencies and organisms

To entities under this category surplus property shall be sold. At a nominal value set by the Property Manager, plus expenses incurred in the maintenance, repair and rehabilitation of the property.

b. Bona fide formers

The Surplus Property Manager shall that property with agriculture value at an appraisal value set by Surplus Property Manager.

c. Non-profit Entities

When none of the organisms or persons in categories "a" or "b" in the order of preference requisition the property, it shall be available to be offered to the entities in category "c" in the order of preference, which to be eligible shall have to accompany their requisition countersigned by the governmental organism regulating their activities; in which case it may be Surplus sold to them an nominal value, set by the Property Manager which shall include the maintenance, warehousing or repair expenses.

Where a non-profit entity can not present the certification of the governmental organism, the sale shall be made at full market value.

d. The Public in General

When surplus property has not been requisitioned by any organism stipulated in categories "a", "b" or "c" in the order of preference, it shall be offered for sale to the highest bidder, in conformance with the formal bid procedures established in the "Board of Bids Regulations" of the Administration; except, that at the discretion of the Surplus Property Manager, when motor vehicles are involved, said sale may be carried out by means of personal group bidding. When the total amount of the goods to be sold does not exceed four thousand dollars (\$4000), direct sales may take place. Only within the first twenty (20) days after publishing the lists shall the Surplus Property Manager consider the petitions submitted by entities subject to receiving transfers or reassignments.

ARTICLE 19: PROCEDURE IN TRANSFERS OR SALES

When the Surplus Property Manager determines that the property may be handled better through sales or transfers, he shall proceed or follows.

1. Notification

The Surplus property manager shall send notify all the entities which qualify under the Surplus Property Program a list of the excess goods available. This list shall be published by the Manager from time to time at his discretion and whenever there are goods available.

2. Terms

Private or governmental organisms, by order of preference established in these regulations, may claim any property included in the lists and these may be awarded to them subject to the following. After the first 20 days he shall consider the petitions received from governmental entities subject to sales. Sixty days after the lists have been circulated, the Surplus Property Manager shall consider the petitions submitted by private, non-profitable and bona fide organizations.

Petitions submitted by qualified organisms after their preference periods have elapsed, shall only be considered after the sixty days term has concluded, and by with date of arrival of said petitions.

3. Transfers

The property will be handed over and the corresponding property transferal form shall filled out. A copy shall be sent to the Department of the Treasury, for inclusion of the property in the accounting system of the agency. Agencies not under the jurisdiction of the Administration shall receive the transfer form and an Invoice.

4. Sales

When the Surplus Property Manager determines to sell the excess property available he shall notify the entity to which it has been awarded and said entity must pick it up within the term set the Property Manager in his notification. If the period for pick-up, it shall be understood that the entity has no interest in it and the property shall be offered to the next entity in turn, within the same category.

a. Bona-Fide Farmers

When according to the order of preference for the distribution of surplus property, established in these regulations, it is the bona fide farmers turn, the sale shall be carried out according to the following.

1. Registry

Bona fide farmers interested in taking advantage of the benefits established in these regulations, by virtue of the provisions of Public Law No. 61 of June 20, 1978, as amended, shall have to comply with the requirements established in said Law in order to qualify for the mentioned benefit. In order to meet said requirement, the bona fide farmers shall have to register themselves before the General Services Administrator in conformance with the following:

a. Sworn Statement

Bona fide farmers shall file with the Administrator a sworn statement declaring that agriculture is their only source of income, at least 80% of their gross income.

b. Certification

The sworn statement shall have to be accompanied by a certification from the Puerto Rico Farmers Association or from any other association of farmers or agricultural cooperatives, that must be duly registered with the State Department. Lacking this, the sworn statement may be accompanied by a certification from the Secretary of Agriculture of Puerto Rico.

2. List of Farmers

The name of farmers registered before the Administrator shall be maintained under the custody of the Surplus Property Manager who shall have no notify them whenever agriculturally useful surplus property is available for disposal.

3. Restriction

Equipment units shall be sold to the bona fide farmers individually; that is, one by one and unless he is the only farmer requisitioning them, not more than one unit per farmer may be sold at each bid.

The criteria of the first to submit his requisition shall operate for the first selection o a good but shall not entitle the farmer to have more than one good sold to him at a bid, unless he is the only petitioner.

4. Payment

Payment for surplus property acquired by the bona fide farmer shall be made at the moment of the equipment delivery by means of a certified check, money order, or manager's check made out to the Secretary of the Treasury.

Said funds shall deposited in the General Fund of the Commonwealth of Puerto Rico; less the expenses incurred in such procedures by the

Administration, the amount of which shall be deposited in the Industrial Capital Fund of the Administration.

ARTICLE 20: DESTRUCTION

When surplus property has no commercial value; or having it, the cost of selling the same in a public bid is greater than the probable amount to be recovered in a sale; or when a law expressly orders it, or the Administrator through regulations, order, or circular establishes it, the surplus property shall be destroyed by tearing it apart, crushing, or any other similar method available.

1. Procedure

The Surplus Property Manager shall be the person in charge of destroying surplus property and shall carry it out through the tearing apart, crushing, or delivery to the municipal dump closest to where the goods are located, according to the procedures established by the Administrator for each one of the possible forms for destroying the property. Upon establishing the procedures for it, the Administrator shall make sure that they meet standards established by the Environmental Quality Board.

2. Destruction Authorization Delegation

The Administrator shall be able to delegate in the Property Manager of any Government agency, for the destruction of surplus property in said branch: subsequent to the recommendation of the Surplus Property Manager, and provided that said destruction is carried out before two witnesses not related with the property even though they are employees of said agency, who shall make record of what occurred there, containing the following information:

- a. Detailed description of the goods destroyed,
- b. Property number they had,
- c. Method by which they were destroyed,
- d. Name of the person who destroyed them,
- e. Date, place, and hour of destruction,
- f. Persons present,
- g. Final state of the goods.

ARTICLE 21: MOTOR VEHICLES

The disposal of motor vehicles and their accessory parts shall be in charge of the Transportation Area Assistant Administrator, in conformance with the following handling:

a. Integration With Government Fleet

Once the Assistant Administrator for Transportation determines that the surplus vehicle owned by the Government, irrelevant of origin, is useful to it, these shall be added to the Government fleet through the completion of a form thus provided, a copy of which shall be sent to the Secretary of Transportation and Public Works for the corresponding registration.

b. Pool Assignment

According to the needs of the agencies under the jurisdiction of the Administration, the Assistant Administrator for Transportation, shall assign the unit involved to the agency that according to his criteria shall best be able to make use of said vehicle, even if the agency has not expressly requisitioned it. Upon making this assignment, the Transportation Assistant Administrator shall follow the order of priorities given below:

- a. Puerto Rico Police,
- b. Health Department,
- c. Justice Department,

d. Other agencies in order of requisition

These assignments shall take place through the completion of a form specially provided for it.

3. Assignment to Other Government

When the agencies under the jurisdiction of the Administration, has judged by the Transportation Assistant Administrator have no use or cannot use the vehicle, they may be assigned, transferred, or sold to other Governmental organisms, state or municipal subject to the discretion of the Assistant Administrator for Transportation, in accordance with the order of preference established in Article 18 of these regulations.

4. Parts and Accesories

When parts and accesories for motor vehicles are involved, if the Transportation Assistant Administrator should determine that they are of use for fleet vehicles, they shall be passed on to the Transportarion Warehouse to be used in the repair of fleet vehicles.

If it were determined that they are of no use for fleet vehicles, the Surplus Property Manager shall be notified who shall dispose of said parts and accesories according to the order of preference established, excluding the agencies under Administration jurisdiction.

ARTICLE 22: TRADE-IN

When an agency is interested in submitting a good as part of the payment under the Trade-in system, it shall have to submit a requisition to the Surplus Property Manager who shall verify in the petitionary agency the equipment to be retired from service.

The Surplus Property Manager shall appraise the equipment and based on said appraisal shall consider the offer being made by the vendor to the Government in the transaction. If from said appraisal it is concluded that vendor's offer benefits government interests, should the trade in transaction be authorized, the Surplus Property Manager shall notify the corresponding Assistant Administrator, who shall approve the transaction and proceed with it.

Before delivering the good given in Trade-in, the Petitioning Agency Property Manager shall deactivate the same.

In such cases, the purchase order must clearly reflect that part of the payment will be a Trade-in credit, and said amount must be stated.

The Treasure Department shall not process any invoice or payment order in Trade-in transactions, regardless of their amount, unless they have been approved by the Administration.

No buyer, except those of the Administration, is authorized to issue purchase orders in Trade-in transactions.

SECTION E: FINAL PROVISIONS

ARTICLE 23: RECOVERY OF EXPENSES

All expenses incurred in the custody, rehabilitation, and disposal of surplus property shall be reimbursed to the Industrial Capital Fund of the Administration.

ARTICLE 24: SPECIAL PROCEDURES

The Administrator shall establish through special procedures the steps to be followed when disposing of goods that, as described in these regulations and in the rules by the Treasure Secretary, are not technically considered property.

The Administrator, through a special procedure, shall establish the steps to be followed in those cases that subsequent to when and justification by the petitioning agency, the preference order or means of disposal may be varied.

ARTICLE 25: VIOLATIONS AND PENALTIES

Any person violating the provisions of these regulations, unduly disposing of surplus property, or falsifying information to apparently qualify without meeting the basic requirements to benefit under the surplus program, shall have imposed upon him the penalties established in Article 32 of Public Law 164 of July 23, 1974, as amended, known as the "General Services Administration Act". Said Article establishes that any person violating the provisions of the regulations adopted under it shall incur in a misdemeanor; and if convicted, shall be sentenced to a jail term of no greater than six (6) months nor less than one (1) month, or a fine not greater than five

hundred dollars (\$500) nor less than fifty dollars (\$50), or both penalties at the discretion of the Court.

ARTICLE 26: TEMPORARY MEASURES

The procedures and forms in effect on the date these regulations become effective shall maintain their effectiveness until the new procedures, guidelines and forms have been approved, which must be approved within the first year of effectiveness of these regulations.

ARTICLE 27: DEROGATIONS

The "Transportation Office Regulations for Declaring Surplus Property of July 1st, 1963", Section XI "Bids for Sales" of Regulations No. 2 "For Regulating Purchases under Public Law No. 96 of June 29, 1954" and any other administrative rule, circular letter, administrative order or regulations dealing with the same subject matter and approved before these regulations enter into effect, even if their provisions are not contradictory to the same, are hereby repealed.

ARTICLE 28: EFFECTIVENESS

These regulations shall enter into effect immediately after their publication under the "Regulations Act" of 1958, as amended.

APPROVED in San Juan, Puerto Rico, today, 16<sup>th</sup> July of 1980.



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LEOPOLDO MERCADO SANTINI  
ADMINISTRATOR