

No. 33 83 10:55 AM.

Date: December 2, 1986

Approved: Héctor Luis Acevedo
Secretary of State

By: [Signature]
Assistant Secretary of State

COMMONWEALTH OF PUERTO RICO
General Services Administration

DELEGATE BUYERS REGULATIONS

OF THE

GENERAL SERVICES ADMINISTRATION

Final

DELEGATE BUYERS REGULATIONS

TABLE OF CONTENTS

	Page
PART ONE - GENERAL RULES	1
SECTION A. - INTRODUCTION	1
ARTICLE 1.- SHORT TITLE	1
ARTICLE 2.- SOURCE OF THE LAW	1
ARTICLE 3.- PURPOSE	1
ARTICLE 4.- SCOPE	1
ARTICLE 5.- JURISDICTION	1-2
ARTICLE 6.- INTERRELATION WITH OTHER RULES	2
ARTICLE 7.- CONSTRUCTION OF WORDS AND PHRASES	2-4
SECTION B. - FUNCTIONS AND OBLIGATIONS OF THE ADMINISTRATION AND OF THE AGENCIES	5
ARTICLE 8.- OF THE ADMINISTRATION	5-7
ARTICLE 9.- OF THE AGENCIES	7-8
PART TWO - BUYERS	9
SECTION A. - GENERAL RULES	9
ARTICLE 10.- DELEGATE BUYER	9
ARTICLE 11.- SUBDELEGATE BUYER	10
SECTION B. - ELIGIBILITY	11
ARTICLE 12.- REQUIREMENTS	11
SECTION C. - SELECTION	12
ARTICLE 13.- BUYER CANDIDATES RECOMMENDATION	12
ARTICLE 14.- BUYER SELECTION PROCEDURE	12
SECTION D. - TRAINING AND EVALUATION	13
ARTICLE 15.- REQUISITION EVALUATION	13
ARTICLE 16.- BUYER BASIC TRAINING	13-15

	Page
ARTICLE 17.- EVALUATION	15
SECTION E. - APPOINTMENT	16
ARTICLE 18.- OFFICIAL APPOINTMENT	16
ARTICLE 19.- APPOINTMENT ISSUANCE PROCEDURE	16-18
ARTICLE 20.- DURATION	18
ARTICLE 21.- SCOPE OF APPOINTMENT	18-21
ARTICLE 22.- RENEWAL OF APPOINTMENT	21-22
ARTICLE 23.- REVOCATION OF APPOINTMENT	22
ARTICLE 24.- DUPLICATE	22
ARTICLE 25.- EMPLOYEE RESIGNATION	22-23
SECTION F. - BUYERS FUNCTIONS AND OBLIGATIONS	24
ARTICLE 26.- COMPLIANCE WITH RULES	24
ARTICLE 27.- SUPERVISION	24
ARTICLE 28.- PURCHASE CENTRALIZATION IN AGENCY	24-25
ARTICLE 29.- NEEDS ESTIMATE	25-26
ARTICLE 30.- GOODS, WORKS AND SERVICES CONTROL	26
ARTICLE 31.- AMOUNT CONTROL	26
ARTICLE 32.- FUNDS VERIFICATION	26-27
ARTICLE 33.- DISTRIBUTION OF ORDERS	27-28
ARTICLE 34.- BREACH OF CONTRACT	28
ARTICLE 35.- MONTHLY REPORT	28-30
ARTICLE 36.- GENERAL OBLIGATIONS	30-31
PART THREE - PROCEDURES	32
SECTION A. - IN GENERAL	32
ARTICLE 37.- PROCEDURE CLASSIFICATION	32

	Page
SECTION B. - FORMAL BID	33
ARTICLE 38.- PROCEDURE DESCRIPTION	33
ARTICLE 39.- PROCEDURE PRIOR TO FORMAL BID	34-36
ARTICLE 40.- FORMAL BID AWARD PROCEDURE	36-37
SECTION C. - INFORMAL BID	38
ARTICLE 41.- DEFINITION	38-39
ARTICLE 42.- DETERMINATION OF PROCEDURE TO BE FOLLOWED.	39
ARTICLE 43.- PROCEDURE UP TO FIVE HUNDRED DOLLARS (\$500.00)	40-43
ARTICLE 44.- PROCEDURE UP TO TWO THOUSAND DOLLARS (\$2,000.00)	43-46
ARTICLE 45.- PROCEDURE UP TO FOUR THOUSAND DOLLARS (\$4,000.00)	46-50
ARTICLE 46.- PROCEDURE UP TO TWENTY FIVE THOUSAND DOLLARS (\$25,000.00)	50-51
ARTICLE 47.- PROCEDURE UP TO TEN THOUSAND DOLLARS (\$10,000.00)	51
SECTION D. - OPEN MARKET	52
ARTICLE 48.- DEFINITION	52-53
PART FOUR - TEMPORARY MEASURES AND FINAL PROVISIONS ..	54
ARTICLE 49.- BUYERS UNDER PREVIOUS REGULATIONS	54
ARTICLE 50.- RECORD	54-55
ARTICLE 51.- INCENTIVES AND PRIZES PROGRAM	55
ARTICLE 52.- VIOLATIONS AND PENALTIES	55-56
ARTICLE 53.- DOCUMENTS AND PROCEDURES: TEMPORARY EFFECTIVENESS	57
ARTICLE 54.- REPEALS	57
ARTICLE 55.- EFFECTIVENESS	57

PART ONE
GENERAL RULES

SECTION A: INTRODUCTION

ARTICLE 1.- Short Title

These regulations shall be known as the "Delegate Buyers Regulations of the General Services Administration".

ARTICLE 2.- Source of the Law

These regulations are approved by virtue of the power conferred by subdivision "j" of Section 14 and of Section 16 of Act No. 164 of July 23, 1974, as amended, on the Administrator of the General Services Administration.

ARTICLE 3.- Purpose

It is necessary that the function of the Administration to purchase for the Government be delegated, when the same involves articles in small amounts and when its value does not exceed four thousand dollars (\$4,000), on those officers or employees of the agencies that are more capable to carry out this function. They shall be known as Government Delegate Buyers.

These regulations are approved for the purpose of establishing uniform requirements for all officers and employees authorized to purchase; to enumerate and itemize their functions and obligations and to establish purchase procedures.

ARTICLE 4.- Scope

These regulations shall apply to every Government employee or officer who has been authorized by the Administrator to purchase by virtue of an appointment of Delegate Buyer or Subdelegate Buyer.

ARTICLE 5.- Jurisdiction

Any step concerning a purchase or price request conducted in the agency shall be regulated by the rules established in these regulations and in

the "Acquisition Regulations".

ARTICLE 6.- Interrelation with Other Rules

The provisions of these regulations shall not be construed individually. In order to discharge the functions of the Delegate Buyer or Subdelegate Buyer it is necessary that the latter be acquainted with all the rules regulating the Government acquisition promulgated by the Administrator and the related fiscal rules promulgated by the Secretary of the Treasury.

ARTICLE 7.- Construction of Words and Phrases

1. In General

The words and phrases used in these regulations shall be construed according to their context and the meaning sanctioned by the ordinary 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 neuter; except in such cases where the construction makes it absurd; the singular number includes the plural and the plural includes the singular.

2. In Particular: Abbreviations and Definitions

The words and phrases used throughout the regulations shall be defined in this subdivision. Those that are used only in one section of the regulations, or that for greater clarity it is necessary to do so, shall be defined in the corresponding section.

The following words and phrases used in these regulations have the meaning stated below:

- 1) Administrator - The Administrator of the General Services Administration or his authorized representative.

- 2) Administration - General Services Administration.
- 3) Assistant Administrator - The Assistant Administrator of the Purchases, Services and Supplies Area of the Administration.
- 4) Petitioning Agency - Any Government agency which by law is bound to use the Administration services or those which, although not bound to do so, request them voluntarily, in which case they shall be subject to the regulations and controls established by the Administration. The Administration shall be considered as another petitioning agency.
- 5) Purchase - Total amount of similar grouped needs that should be acquired by any means in one same transaction or moment because they have the same purpose, common suppliers or because it is convenient to the public interest.
- 6) Buyer - Any Government Buyer, whether his appointment is a Delegate Buyer or Subdelegate Buyer.
- 7) Day - Working Day.
- 8) Emergency (Urgency) - Both terms shall be considered synonymous in these regulations.

Emergency or urgency shall be understood as that situation which gives rise to unforeseen and unexpected public needs and which require immediate action on the part of the Government because the life, health or safety of its people is in jeopardy or there is danger that the public services or property of the Government be suspended or affected; or if the term to use the funds is about to expire and any opportunity to acquire the goods, works and services requested may be forfeited thereby adversely affecting public interest.

- 9) Government - The Government of the Executive Branch of the Commonwealth of Puerto Rico, excluding public corporations and municipalities and any agency which by law may be exempt from the jurisdiction and control of the Administration upon conducting all its transactions of acquisition of goods, works and services.
- 10) Luxury - Any good, work or service acquired in the Government in contravention to the rules established in the "Acquisition Regulations" of the Administration; and to the rules of austerity and control established by the Secretary of the Treasury.
- 11) Area - The Purchases, Services and Supplies Area of the Administration.
- 12) Contractor - Any person or entity having a contract with the Government.
- 13) Order - Written document issued by the Administration or Buyer, requesting the contractor to commence, continue, stop, deliver, terminate, render a service, or construct a good or work object of a contract.

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

ARTICLE 8.- Of the Administration

The Administration shall be responsible of coordinating with the Delegate Buyers the Government Purchases. In discharging these functions, the Administration shall conduct the transactions provided in this article.

1. Training

The Administration is bound to offer training to the Buyers. To that end, 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, if any have arisen, shall be explained; existing ones shall be refreshed; problems and errors committed and the use and execution of new forms and procedures shall be discussed.

1) Frequency

This training shall take place as often as necessary.

2. Information

The Administration is bound to keep the Buyers informed of any purchase activity in the Government, of all the existing contracts and of all the rules pertaining to its purchase activity.

To insure the faithful compliance with this obligation, the Administration shall submit to the Buyers a complete copy of all the contracts

in force, so that they may keep their information up-to-date.

3. Consultation

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

4. Auditing

The Administration shall make sure that the purchase operation be conducted correctly. To ensure this, the Administration shall audit the work of the Buyers.

a. Audit Site

This auditing shall take place

- 1) In the very agency of the Buyer
- 2) In the Administration

b. Audit Procedure

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

- 1) Through direct sporadic audits of the work of the Buyer in his agency, and
- 2) Through evaluations of the orders received in the Administration
 - a) Evaluation of the orders

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

- (1) Whether the person who issued the order is the authorized Buyer
- (2) Whether the order is duly filled out and approved
- (3) Whether it is being issued against the existing contract which covers the matter contained in the order
- (4) Whether the Buyer exceeded the authorized limit

(5) Whether he split by issuing different orders for the same matter, the same day or in successive days.

5. Coordination with the Treasury Department

a. Signature Card

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

b. Up-dating of Lists

At the beginning of each fiscal year, the Administration shall review and check its lists with the information of the Treasury Department to make sure they coincide. This check of listings shall be made even when no appointments have been made during that year.

ARTICLE 9.- Of the Agencies

The agencies are under the obligation to facilitate, collaborate and coordinate any acquisition of goods, works and services in the Government.

To that effect they must comply with the following:

1. To Facilitate Work of Buyers

The heads of the agencies shall establish the necessary mechanisms to facilitate adequate supervision of Subdelegate Buyers by the Delegate Buyer, as well as to establish the mechanism to facilitate the work of all the Buyers. The head of the agency shall be responsible for ascertaining that the purchases made in his agency are in harmony with these regulations.

2. Needs Estimate

Agency heads shall be responsible for submitting the consumption estimates of their agencies, complete, correct and on time, in order to

insure the greatest economic savings to the Government, as to quality and promptness in the service.

The agency heads shall have to provide the adequate mechanisms for the internal coordination of the production of the necessary information and that the same be submitted to the Delegate Buyer for its evaluation and preparation of the Report to be submitted to the Administration by the head of the agency.

3. Control in the Issuance of Purchase Orders

Agency heads shall not allow any employee or officer to issue purchase orders until the Administrator has appointed the Buyer.

It shall also be the responsibility of the agency heads to see that none of their employees or officers request the delivery of goods, rendering of services or execution of works from any bidder, without the agency Buyer having first issued an order.

4. Control in Payments

Agency heads shall see that their disbursing officers do not make payment on purchase orders issued by persons who do not have an appointment of Buyer or, having it, exceed the amount authorized.

PART TWO

BUYERS

SECTION A: GENERAL RULES

ARTICLE 10.- Delegate Buyer

1. Creation

The Delegate Buyer is hereby created with such functions, duties and powers as are stated in these regulations.

2. Delegate Buyer - Definition

Delegate Buyer is the person who holds a position in any agency, authorized by the Administrator to purchase in the name and representation of the Government.

3. Purpose

In order to carry out its functions, each agency needs to acquire goods, works and services constantly. The Administration is responsible for channeling the acquisition of the goods, works or services that shall be used by the agencies. It is necessary that at the level of each agency, there be an officer in charge of coordinating the internal requests at the specific times and in the amounts actually needed by the agency involved.

To that effect, the Delegate Buyer is created for the purpose of establishing a uniform acquisition system for the Government, of insuring the internal coordination in the agencies and interagency at Administration level; and of making sure that the procedures and rules established by the Administrator concerning acquisition be faithfully complied with by the agencies.

4. Limitation

Only one Delegate Buyer shall be appointed per agency.

ARTICLE 11.- Subdelegate Buyer

1. Creation

The Subdelegate Buyer is hereby created with such functions, duties, and powers as are stated in these regulations.

2. Definition

Subdelegate Buyer is the person who holds a position in an agency in which a Delegate Buyer has been appointed and who, in addition to the Delegate Buyer, has been authorized by the Administrator to purchase, because of the agencies' needs.

3. When Proper

Appointments of Subdelegate Buyers shall be issued in those agencies where, because of the volume or complexity of work, it is physically and materially impossible for one person alone to carry out the functions of Buyer as established in these regulations and in the acquisition rules, in general.

4. Purpose

The Subdelegate Buyer is appointed for the purpose of collaborating with the Delegate Buyer in the purchase activities.

5. Limitation

At the request of the head of the agency, as many Subdelegate Buyers as may be necessary for the good functioning of the purchase system shall be appointed.

SECTION B: ELIGIBILITY

ARTICLE 12.- Requirements

Any person shall be eligible for appointment as Buyer provided he meets the following requirements:

1. Has four-year high school diploma;
2. Is holding a position or job in the government;
3. Takes the basic training offered by the Administration.

SECTION C: SELECTION

ARTICLE 13.- Buyer Candidates Recommendation

Each agency head shall recommend from among his employees those interested in being appointed Delegate Buyer or Subdelegate Buyer.

ARTICLE 14.- Buyer Selection Procedure

1. Selection Criteria

In making his selection, the head of the agency shall take into consideration the following:

- a. Office or position held by the person;
- b. Functions he discharges;
- c. Need of appointment to discharge his functions as Buyer;
- d. Working hours during which he shall discharge purchase functions;
- e. Capacity of person chosen to purchase in the name of the Government.

2. Requisition

When the head of an agency believes there is need to appoint a Buyer in his agency, he shall recommend the candidate, indicating the appointment and scope desired, using the form provided therefor. The candidate recommended shall meet the minimum requirements established in these regulations.

SECTION D: TRAINING AND EVALUATION

ARTICLE 15.- Requisition Evaluation

Once the requisition is received, the Administrator shall study the same subject to the following:

1. Agency Needs

He shall verify whether there really exists the need in the agency and he shall so indicate in the form.

2. Candidate Acceptance

If the candidate meets the minimum requirements established in these regulations and the agency need is verified as real, the Administrator shall notify the head of the agency, in the form provided therefor, the candidate's acceptance and the date on which the next training for Buyers shall begin and for which said candidate has been registered, indicating the date, place and time for said training.

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 grounds for rejection.

a. Need approval

Notwithstanding the rejection of the candidate, if the Administrator understands that the agency is in need of a Buyer, he shall so notify it, so that the agency submit a new candidate.

ARTICLE 16.- Buyer Basic Training

1. Content

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

a. Lectures

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

- 1) Purpose of course;
- 2) Buyer functions and responsibilities;
- 3) Laws and regulations controlling his activities
 - a) In general
 - b) Acquisition Regulations
 - c) Other related regulations
 - d) Fiscal and acquisition procedures
- 4) Forms and Filling them out
- 5) Elemental, basic and fundamental purchasing concepts
 - a) In the private market
 - b) In the Government
- 6) Liability in relation to provisions contained in the civil, administrative, and criminal rules directly or indirectly related to their functions.

b. Practices

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

Candidates shall be assigned to the Area during the period required for training so that under the supervision of the Administrator he may cover all the phases of the purchase function in the Government.

2. Duration

Training duration shall be determined by the Administrator.

3. Attendance

Attendance at the training sessions shall be compulsory and it shall be the agency's obligation to see to the attendance of its employees at all phases of the training.

ARTICLE 17.- Evaluation

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

1. Approval

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

a. Attended all lectures

1) Certificate

This shall be confirmed with a certificate stating that he attended the course which shall be issued and delivered to the candidate at the end of the lecture phase.

b. The candidate showed in practices his ability to fulfill the functions, obligations and duties consistent with the appointment.

SECTION E: APPOINTMENT

ARTICLE 18.- Official Appointment

The Administrator shall issue an official appointment to the person who has approved both phases of the 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 correctness and validity. To ensure this, appointments shall be issued personally only and following the procedure below:

1. Summons and Registration

The candidate shall be summoned to appear before the Administration where, after presenting his summons, he shall register his signature before the Administrator, 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 documents establishing his appointment as Delegate Buyer or Subdelegate Buyer:

a. Appointment

The appointment shall be the form especially designed by virtue of which the candidate is assigned all his functions and duties and it shall contain the following information:

- 1) Photograph of the person in the copy of the Record;
- 2) Name of the person;
- 3) Signature of the person;
- 4) Office or position he holds;
- 5) Appointment Number;

- 6) Date of Appointment;
- 7) Expiration date of Appointment;
- 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 purchase, if limited;
- 13) Quantity authorized to purchase, if limited.

b. Identification

The identification shall be the one used by the Buyer to identify himself within his agency or with third persons and 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) Date of appointment;
- 6) Expiration date of appointment;
- 7) Agency and Program for which he works;
- 8) Type of appointment;
- 9) Signature of the Administrator.

c. Name Tag

In addition, he shall carry on his clothes the name tag provided by the Administration.

3. Documents Distribution

The documents establishing the official appointment shall be distributed as follows:

a. Appointment

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

b. Identification

- 1) An original which shall be delivered to the appointee.

c. Certificate

- 1) The original shall be given to the person at the end of the lecture phase of the training;
- 2) Photocopy to the record file of the Area.

d. Name Tag

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

ARTICLE 20.- Duration

The appointment of Buyer shall be effective for a period or not more than two (2) years.

ARTICLE 21.- Scope of Appointment

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

1. Amount

Buyers shall be authorized to issue orders up to four thousand dollars (\$4,000) daily, establishing that the total amount of purchase orders issued during a day shall not exceed this limit. Nevertheless, the heads of the agencies may reduce, at their discretion, the amount to be authorized to each Buyer in his agency. If this is done, he must immediately notify the Administrator.

a. Purpose

The amount limitation is established because it is stipulated by law that when acquiring any good or service the amount of which exceeds four thousand dollars (\$4,000) and it should be susceptible to competition, the same must be acquired through a formal bid.

b. Limitation

The authorization up to four thousand dollars (\$4,000) shall be understood to apply to each purchase per program. This shall not be used with the intention to fragment the need of acquiring a good or service exceeding four thousand dollars (\$4,000).

1) Exception

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

When there is involved an order issued by a Buyer of the Construction and Conservation of Public Buildings Area of the Administration, to acquire materials, equipment and services related to a construction work, the amount shall be understood to be per project for one and the same article. No purchases may be made in open market of one same article exceeding four thousand dollars (\$4,000) for one same project.

It shall be the responsibility of the Delegate Buyer who has been assigned purchase for more than one project at the same time or for different programs, to plan in such a manner that that same Delegate may never purchase more than four thousand dollars (\$4,000) in the open market for one and the same article, irrespective of whether it is for more than one project.

In these cases he must group the article and conduct a formal bid.

b) Service Orders for Transportation Means

When services to transportation means are to be rendered by the Transportation Area, the orders shall be issued only by the Transportation Managers.

The Administrator alone may issue orders of service to the transportation means for services to be rendered by private shops in harmony with the guidelines that he may establish to that effect and with the regulations of the Government fleet. No Buyer at the agency level may issue service orders to transportation means.

2) Goods and Services

Buyers may acquire all the goods or services necessary for the functioning of their agencies unless they are restricted by the Administrator, upon issuing their appointments or by regulation, or any other agency empowered to do so, or by the head of his agency.

2. By the Head of the Agency

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

a. Exception

1) By the Administrator

Buyers may not issue orders for the acquisition of the following, which shall only be issued in the Administration by the person expressly authorized by the Administrator.

- a) Any means of air, sea or land transportation, or services to them;
- b) Construction, agricultural or printing machinery;
- c) Computers, microphotography equipment and other related equipments;
- d) Construction works;
- e) Services related to the electronic data processing, microphotography or transportation means or related to construction works;
- f) Any professional service.

ARTICLE 22.- Renewal of Appointment

1. When Proper

The Administrator shall renew the Buyers appointments if at the expiration of their terms the following circumstances arise:

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

2. Reevaluation

Upon reevaluating the Buyer, the Area shall determine whether the candidate deserves the renewal, taking into consideration the following:

a. Criterion

- 1) Evaluation of Buyer's record.

3. Requirements

- a. If there have been amendments to the law, regulations and other rules governing his activities and the candidate has not attended one of the continuous training courses, he shall be subject to reevaluation as

to the new rules or retraining before his appointment is renewed.

ARTICLE 23.- Revocation of Appointment

1. When Proper

The Administrator may revoke the appointment of any Buyer when there exists one of the following:

a. Causes

- 1) Failure to discharge his duties efficiently, according to the law, the regulations and other rules controlling his activities when it is so considered by the Administrator;
- 2) The head of the agency so requests it.

ARTICLE 24.- Duplicate

Duplicates of identification may be issued to the Buyers upon presenting a sworn application for which he shall use the form provided for such purpose by the Administration, when the original is lost, damaged, deteriorated or stolen; or when the person changes his name or signature.

Before issuance thereof, it shall be necessary to verify the persons' record in order to ascertain that there is no reason for denying the identification and to determine whether the person has a pending retraining.

Duplicates shall reflect they are duplicates and all previous records shall be entered 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 any Buyer appointment is transferred to another agency, resigns or is dismissed from his employment, his appointment shall automatically become null and void and he shall have to return his identification to the Administration.

It shall be the duty of the head of the agency to notify the Administrator of the transfer, resignation or dismissal of any employee appointed Buyer while being in his agency.

SECTION F: BUYERS FUNCTIONS AND OBLIGATIONS

ARTICLE 26.- Compliance with Rules

The Buyer shall have to comply with all the rules and directives issued by the Administrator and the Secretary of the Treasury. The Delegate Buyer is bound to see that his agency complies with the rules governing Government acquisition.

ARTICLE 27.- Supervision

1. By the Delegate Buyer

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

2. By Subdelegate Buyer

In those agencies where the Subdelegate Buyers are located in geographical sites physically separated from the agency central office, the Delegate Buyers must supervise and see to the adequate process of purchases in each site.

ARTICLE 28.- Purchase Centralization in Agency

Anything related to purchases should be centralized in a single unit of each agency of which the Delegate Buyer is in charge and he shall coordinate purchase transactions of his agency to avoid duplication.

Every Subdelegate shall have to send a copy of every purchase order to the Delegate Buyer of the agency within twenty four (24) hours.

1. Verification

The Buyers, before issuing a purchase order, shall ascertain the following:

- a. that what is requested is not available in the Administration,
- b. that no order has been previously issued for the same purposes

- 1) By the Subdelegates
- 2) By the Delegate
- 3) By the Administration

2. Information

It is the duty of the Delegate to circulate copy of every contract or rule received from the Administration among the Subdelegates of his agency and make sure that they understand and implement it.

3. Checking Discrepancies

The Buyer must be available, when the Receiver so requests, to settle any doubt or discrepancy arising in relation to the specifications in the purchase order and what is delivered at the time of the contractor's delivery and the acceptance by the Receiver.

ARTICLE 29.- Needs Estimate

The head of the agency shall have to submit the consumption estimates of his agency. The Delegate shall compile internally the information on consumption of goods and needs of works and services for the following fiscal year. The Delegate shall prepare purchase estimates and shall program them to satisfy the needs of his agency and shall submit them to the approval of the head of his agency who shall send them to the Administration within the term the latter may set.

Upon preparing the estimates of needs, the Delegate Buyers must abide by the following:

1. Grouping of Needs

It shall be the responsibility of every Delegate Buyer to ascertain that from the information submitted to him internally in his agency, the

annual needs be grouped by goods, works and individual services for which there are the necessary funds, so that they may be acquired at the same time in the same formal bid.

ARTICLE 30.- Goods, Works and Services Control

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

The Delegate Buyer has the responsibility of indicating in writing to the Subdelegates when they violate this limitation.

ARTICLE 31.- Amount Control

No Buyer may issue purchase orders in excess of the maximum amount authorized by the Administrator or fixed by the head of his agency, which shall never be more than four thousand dollars (\$4,000.00).

The Delegate Buyer has the responsibility of indicating in writing to the Subdelegate Buyers when they violate this limitation.

1. Determination of Limitation Violation

This limitation is violated:

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

1) Splitting - Definition

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

ARTICLE 32.- Funds Verification

When issuing any order it shall be the responsibility of every Buyer to ascertain that there are sufficient funds assigned for such purpose and in

such cases where the assignment of such funds is not necessary, he must have sufficient funds available.

1. Record

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

a. Prohibition

Heads of agencies shall be responsible of making sure that these two (2) functions are not combined to be discharged by the same employee.

b. Certification Issuance Procedure Funds Certification shall be issued by the Finance Director or his authorized representative, filling out the form provided for such purpose.

1) Obligation of Finance Director

The Finance Director has the obligation of establishing the internal mechanisms to make sure that funds assigned and separated for one order are not used for other purposes.

ARTICLE 33.- Distribution of Orders

When issuing a purchase order the Buyers shall have to identify whether the product is from Puerto Rico, the United States or foreign.

They shall have to distribute immediately copies of such order in the amounts stipulated in the instructions in the form, to the following:

1. Official Receiver of his agency
2. Property Custodian
 - a. If the order was to acquire equipment

3. Delegate Buyer

- a. If the order was issued by a Subdelegate and was accompanied by the Monthly Report

4. Finance Director of his agency

5. Treasury Department

6. General Services Administration

Exception: The copy to be sent to the Administration shall go with the Monthly Report.

ARTICLE 34.- Breach of Contract

It is the duty of every Buyer to notify the Administration directly as to any bidder who fails to comply with the terms and conditions of a purchase order issued by him, regardless of the procedure followed in the Administration or by the Buyer for the execution of the contract against which the order was issued.

ARTICLE 35.- Monthly Report

Buyers must submit monthly reports relating to their purchase activities subject to the following:

1. Person Receiving Report

Delegate Buyers shall submit their Reports to the Administrator and Subdelegate Buyers to the Delegate Buyer of their agency.

2. Term

The Monthly Report to the Administrator shall have to be filled out and duly submitted not later than the tenth (10) day of each month.

The Monthly Report of the Subdelegate Buyers to the Delegate Buyer shall have to be filled out and duly submitted to the latter not later than the fifth (5) day of each month.

3. Contents

The Buyers' Monthly Report shall contain the following information, including copy number five (5) of the purchase order.

- a. Date of the Report and period of time covered
- b. Name of Delegate Buyer
- c. Number of Delegate Buyer
- d. Name of agency
- e. Breakdown of purchase orders
 - 1) Number of each purchase order issued that month
 - 2) Date of each order
 - 3) Object of Disbursement
 - 4) Total amount of each order
 - 5) Total number of orders issued that month
 - 6) Total amount for the month
- f. In those agencies where the Delegate Buyer must supervise the Sub-delegate Buyers:
 - 1) Original of the Monthly Report of each Subdelegate Buyer
 - 2) His certification of verification and approval of reports

4. Purpose

- a. To know of the activities conducted during the period covered by the Report,
- b. To know whether the rules in effect were complied with in the transactions conducted.
 - 1) Effect

If the rules were not complied with, the Administrator shall investigate the reason and take the 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 concerned shall be immediately summoned to appear at the Administration for retraining.
 - b) If it is determined that the fault was due to an involuntary error, it shall be indicated verbally to the Buyer.
 - c) If it is determined that there was negligence, depending on the seriousness of the fault, one of the following actions shall be taken:
 - (1) written admonition
 - (2) suspension of appointment
 - (3) revocation of appointment
 - d) If the fault was due to hierarchical obedience, as contemplated in the Penal Code of 1974, as amended, the Administrator shall indicate it to the head of the agency so that the latter may take the proper action.
 - e) If it appears from the investigation that any law or regulation was maliciously violated, it shall be submitted to the Department of Justice for the corresponding action.
- c. To keep statistics on the purchase volume in order to facilitate the determination of the course to be followed in Government purchases and to evaluate delegate purchases.

ARTICLE 36.- General Obligations

To ensure the good administration of purchases such as the faithful compliance with the rules established in these regulations, the agencies shall faithfully comply with the following:

1. Petitioning Agencies

- a. They shall plan their requisitions so that the same may be carried out in conformance with the provisions of these regulations and of any other rules in effect on the matter;
- b. In making out their schedules they shall avoid any conflict in their programs with the terms established for the bid call and award procedures, thereby creating emergency situations which might cause the preclusion of the formal bid procedure;
- c. Their requisitions shall be handled as efficiently and promptly as possible in order to prevent negligences, delay or administrative forgetfulness which will cause economic prejudice to the Government;
- d. They shall assign sufficient funds before initiating the handling of the requisitions so as to make sure that when the purchase orders are issued there be funds available to cover the disbursements;
- e. No acquisition transaction shall be conducted without issuing the corresponding orders against existing contracts or before their execution;
- f. The Administration shall be notified of any acquisition transaction;
- g. They shall keep control of the orders issued, of the goods pending receipt, of the services pending to be rendered, of the works pending execution, of the receipts issued and received and of the payments made. This information shall be submitted to the Administration every month;
- h. They shall avoid any duplicity of requisitions or of issuance of orders by centralizing everything relating to acquisition in the Delegate Buyer.

PART THREE

PROCEDURES

SECTION A: IN GENERAL

ARTICLE 37.- Procedure Classification

The Buyer is the one who initiates and completes all acquisition transactions in the Government. To that effect he must intervene in the following acquisition procedures, in any or all their stages:

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

When intervening in each one of the procedures established in this Part, it shall be the duty of the Buyer to comply with all the rules established herein, in the "Acquisition Regulations" of the General Services Administration, in the "Bid Regulations" of the General Services Administration and any other rule established by the Administrator, as well as with any other related fiscal rule established by the Secretary of the Treasury.

SECTION B: FORMAL BID

ARTICLE 38.- Procedure Description

1. Definition

Formal Bid is the procedure used in the Government to acquire or sell and which is expressly adopted in the "Bids Regulations" of the General Services Administration.

2. When Proper

The general rule is that everything acquired in the Government shall be acquired through formal bid procedure, unless it is expressly excluded from said procedure by law or corresponding regulations of the Administration.

The general rule is that any purchase made by the Government and which exceeds four thousand dollars (\$4,000) must be conducted through formal bid.

Formal bid shall also be the procedure that shall be used provided that the Government determines, through the Administrator, to dispose of its goods by sale; 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 Administration Office shall be in charge of the formal bid, unless the Administrator has expressly delegated its handling to a specific agency, in writing.

Transactions prior to submitting the acquisition requisition by formal bid to the Administration shall be conducted by the Delegate Buyer of the agency, subject to provisions prescribed hereinafter.

ARTICLE 39.- Procedures Prior to Formal Bid

1. Evaluation of Requisition

When a Buyer has an acquisition requisition before his consideration and, upon evaluating it, determines that it must be transacted through formal bid, he shall proceed in the following manner:

a. Verification with the Administration

The Buyer shall verify whether the good, work or service can be supplied, executed or rendered by the Administration; or whether there is or will be in effect a contract with the Administration for what is requested.

b. Verification of Exceptions

The Buyer shall verify whether there exists any cause exempting a formal bid, using the criteria stipulated in the law applicable to the case and in the "Acquisition Regulations" of the General Services Administration.

c. Funds Verification

The Buyer shall verify whether what is to be acquired can be timely paid for; to that effect he shall ascertain that at the moment of the acquisition there are funds available separate and assigned by the Finance Director of his agency, or his authorized representative, who shall so certify by stamping his signature on the corresponding form.

2. Requisition Review

Once the Subdelegate Buyer has conducted the corresponding transactions, he shall refer the Requisition to the Delegate Buyer of the agency who shall review the same with special attention to the following:

a. Specifications

The Delegate Buyer shall review the requisition making sure that it contains the full and correct specifications of the work, good or service sought.

1) Exception

When acquiring computers, microphotography equipment, printing, construction, agricultural equipment and any means of air, sea or land transportation and construction works, the Administration shall furnish the specifications, upon a previous study of the corresponding feasibility and subject to the rules established by the Administrator to that effect.

b. Conditions

The Delegate Buyer shall make sure that the requisition contains all the conditions and terms under which the unit in his agency generating the requisition seeks to have the corresponding rendering, delivery or execution.

c. Funds Certification

The Delegate Buyer shall make sure that the requisition includes the corresponding Funds Certification duly completed.

d. Term

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

3. Remittance of Requisition

The Delegate Buyer shall be the only person at agency level with the obligation to review the requisitions pursuant to the "Bids Regulations" of the General Services Administration, and shall be the person who shall

refer such requisitions to the Administration to be submitted to formal bid procedure.

a. Prerequisite to Remittance: Approval

Any requisition for acquisition through formal bid shall have to be approved by the head of the agency, or his authorized representative before it is referred by the Delegate Buyer to the Administration.

ARTICLE 40.- Formal Bid Award Procedure

1. Bid Award: By whom

Formal Bid shall always be awarded by the Bid Board of the Administration, or by the Bid Board of the agency, when the Administrator has so delegated, except that the acquisition of the goods or works listed in paragraph a. 1) of subdivision 2 of article 39 shall not be delegated to the agencies.

2. Procedure Subsequent to the Award

Once the Bid Board has awarded a bid, as a consequence of which a contract is executed, the agency shall be notified according to the provisions established in the "Bid Board Regulations" of the General Services Administration.

The Administration shall issue the order or orders against the contract granted and shall notify them to the agency for its own information and for any subsequent transaction.

3. Annual Contracts

Buyers shall issue orders against the annual contracts in accordance with the provisions of the "Acquisition Regulations" of the General Services Administration.

a. Effect of Issuing Orders Against Annual Contracts

When a Buyer issues an order against an annual contract, the limitations as to amount, goods, works and services contained in his appointment shall not be applicable.

SECTION C: INFORMAL BID

ARTICLE 41.- Definition

1. Creation

The Informal Bid procedure to be used in the Government for the acquisition of goods, works and services, when the transaction is exempt from formal bid by law, is hereby created.

2. When Proper

This procedure is used when the acquisition transaction to be carried out is exempt from being conducted through formal bid by reason of the amount involved, subject to the following:

a. Goods and Services

In the case of acquisition of goods or services where the amount involved is four thousand dollars (\$4,000) or less, except when services attached to the construction are involved, the amount may be ten thousand dollars (\$10,000) or less.

b. Construction Works

In the case of construction work where the amount involved is twenty five thousand dollars (\$25,000) or less.

3. Exceptions to the Amount

When the transaction to be carried out is exempt from being conducted through the formal bid procedure for any reason established by law or by regulations, other than the amount involved.

a. In these cases the procedure corresponding to the specific cause shall be followed according to the "Acquisition Regulations" of the General Services Administration.

4. When Not Proper

In the case of acquiring any means of transportation such as boats, motorcycles, helicopters, airplanes and others, even if their amount be less than four thousand dollars (\$4,000) and parts and accessories, the requisition shall have to be submitted to the Administration for its approval and handling.

5. Guarantees

In using this procedure, the Buyer shall make sure to guarantee adequate competition by recruiting the largest number of bidders possible, which should not be less than three (3), whenever possible, thus benefiting the best interest of the Government.

6. Handling

The informal bid shall be handled:

a. In the agencies

By the Authorized Buyer

b. In the Administration

By the Administrator, when the bid is executed for another agency; if it is internal, it shall be handled by the corresponding Buyers of the Administration.

7. Procedure

The informal bid shall be handled, depending on the amount involved, according to the procedure established in this Section.

ARTICLE 42. - Determination of Procedure to be Followed

Once the Buyer has determined that the requisition shall be handled through the Informal Bid Procedure, he is bound to transact it pursuant to one of the four (4) modalities hereby established.

ARTICLE 43.- Procedure Up to Five Hundred Dollars (\$500.00)

If a requisition for goods or services is involved and the amount in question fluctuates between one cent (\$0.01) and five hundred dollars (\$500.00) the procedure below shall be followed:

1. Requisition

The unit generating the requisition in the agency shall fill out the form provided therefor 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, according to the system established by the Administrator.

3. Bidder Selection

The Buyer shall select from the Administration Bidder Registry those who according to the need of the moment may be the most practical.

Except in those geographical areas where the registered bidder is unable to make his delivery, the purchase may be made from among those responsible bidders within said areas. In such cases the purchase procedures must also be fulfilled with respect to the amount of money.

4. Bid Requests Based on Equal Conditions

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

The Buyer shall have to furnish, in identical manner to each bidder, the specifications and conditions requested and the term within which they must make their proposals in order that they may be considered.

5. Proposal

The bidders may make their proposals simultaneously with the requisition or subsequently by telephone, within the time established by the Buyer which shall be the same for all.

6. Summary of Proposals and Award

Once the term fixed by the Buyer to make the proposals has expired, he shall proceed with the award.

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

- a. Subject matter and number of informal bid;
- b. Name, address and telephone number of each bidder he called to request bid;
- c. Name of the person in the business requested to bid;
- d. Date and time when he requested each bidder to bid;
- e. Time granted each bidder to submit his proposal;
- f. Term within which each bidder made his proposal, if he did;
- g. If he bid, price and conditions;
- h. Award including:
 - 1) name of bidder
 - 2) ground for award

- a) Informal bid may not be awarded if the lowest or best bid exceeded five hundred dollars (\$500.00) in which case he shall have to conduct the corresponding procedure.

- i. Ground for rejecting the other proposals;
- j. Buyer's certification to the effect that he furnished the same information to all;
- k. Date and signature of Buyer.

7. Award

The Buyer shall award the Informal Bid in favor of the bidder submitting a responsible proposal within the specifications, terms and conditions requested, provided it constitutes a reliable source of supply, that the price does not exceed five hundred dollars (\$500.00) and that the terms offered be the most beneficial to the Government, according to the rules established in the "Bids Regulations" of the Administration.

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

8. Award Notice

a. To All Bidders

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

b. To the Successful Bidder

Once the Buyer notifies by telephone 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 award notice.

9. Contract

The contract shall consist of the following documents:

- a. The original requisition approved by the Buyer
- b. Summary of proposals and award

c. Copy of the purchase order which shall establish the execution of the contract.

1) The Buyer may issue the purchase order simultaneously with the award but he shall not deliver the same to the successful bidder until the latter first gives him his confirmed proposal in writing.

ARTICLE 44.- Procedure Up to Two Thousand Dollars (\$2,000.00)

When requesting price and conditions for goods or services the amount of which fluctuates between five hundred dollars and one cent (\$501.01) and two thousand dollars (\$2,000.00), the procedure established herein shall be followed.

1. Requisition

The unit generating the requisition in the agency shall fill out the form provided for such purpose, 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, according to the system established by the Administrator.

3. Bidders Selection

The Buyer shall select from the Administration Bidders Registry those who according to the need of the moment are the most adequate, guided by the criteria of location, accessibility and capacity.

Except in those geographical areas where the registered bidder is unable to make his deliveries, the purchase may be made from among those responsible bidders within said areas. In such cases the purchase procedures must also be fulfilled with respect to the amount of money.

4. Bid Requests Based on Equal Conditions

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

The Buyer shall have to furnish identically to each bidder the specifications and conditions requested and the term within which they shall have to make their proposals in order that they may be considered.

If the bidder so requires, he shall give him a copy of said form duly filled out, containing the specifications, conditions and terms of the informal bid.

5. Proposal

Bidders shall make their proposals simultaneously with the requisition or subsequently by telephone within the time established by the Buyer, which shall be the same for all.

The bidder interested in having his bid considered for award must confirm it within the term set by the Buyer.

6. Summary of Proposals and Award

Once the term set by the Buyer for making the written proposals has expired, the latter shall proceed to evaluate them and make the award in harmony with the existing regulations.

In order to facilitate and certify the award, the Buyer shall itemize the proposals, filling out the form provided by the Administration.

in which the following information shall be included:

- a. Subject matter and number of the informal bid;
- b. Name, address and telephone number of each bidder he called to request bid;
- c. Name of person in the business requested to bid;
- d. Date and time when he requested each bidder to bid;
- e. Form, date and deadline time given to each bidder to confirm his proposal in writing;
- f. Term within which each bidder made his proposal, if he did;
- g. Date when each bidder received confirmation of his proposal;
- h. If he bid, price and conditions;
- i. Award, including:
 - 1) Name of successful bidder, and
 - 2) Ground for award
 - a) Informal bid shall not be awarded if the lowest or best bid exceeds two thousand dollars (\$2,000.00) in which case the procedure corresponding to the amount shall be conducted.
 - 3) Ground for rejecting unsuccessful bids.
- j. Certification of the Buyer to the effect that the same information was furnished to all, and
- k. Date and signature of the Buyer.

7. Award

The Buyer shall award the Informal Bid in favor of the bidder submitting a responsible proposal within the specifications, terms and conditions requested, provided it constitutes a reliable source of supply, that the price does not exceed two thousand dollars (\$2,000.00) and that the terms offered be the most beneficial for the Government,

according to the rules established in the "Bids Regulations" of the Administration.

The Buyer shall certify the award he makes, using for that purpose the official form provided by the Administration.

8. Award Notice

a. To Successful Bidders

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

b. To the Unsuccessful Bidders

The Buyer shall notify by telephone the unsuccessful bidders of the ground for rejecting their bids.

If any bidder so requires, the decision may be confirmed in writing.

9. Contract

The contract shall consist of the following documents:

- a. Original requisition approved by the Buyer;
- b. Written proposal of the successful bidder;
- c. Summary of proposals and Award;
- d. Copy of the Purchase Order.

ARTICLE 45.- Procedure Up to Four Thousand Dollars (\$4,000.00)

In the case of a requisition for goods or services the amount of which fluctuates between two thousand dollars and one cent (\$2,000.01) and four thousand dollars (\$4,000.00) the procedure below shall be followed:

1. Original Requisition

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

- a. Specifications or exact description of what is needed except in cases expressly mentioned in these regulations;
- b. Conditions under which they are needed;
- c. Purpose and use to which what was requested is destined;
- d. Certification of funds available, separated and assigned.

2. Record

When the Buyer receives the acquisition requisition he shall initiate the procedure by opening a record which he shall enumerate according to the system established to that effect by the Administrator and in which he shall include all the documents as they may arise.

3. Bidders Selection

When determining the bidders from whom bids shall be requested, the Buyer shall have the obligation to weigh the following criteria, when proper:

- a. He shall verify that they appear in the Bidders Registry;
- b. He shall make sure that they are located near or easily accessible to the place where the Government need arises; or available to transfer themselves to said place promptly.

Except in those geographical areas where the registered bidder is unable to make his deliveries, the purchase may be made from those responsible bidders within said areas. In such cases the purchase procedures must also be fulfilled with respect to the amount of money.

4. Procedure for Requesting Bids

Once the Buyer verifies or corrects and fully and faithfully completes the requisition, he shall request bids as follows:

a. Bid Call

On simultaneous date, the Buyer shall send to all the bidders he has selected, who shall not be less than three (3), an Informal Bid Call. Said remittance shall be done in a sealed envelope which shall be identified on the outside as "Informal Bid Call".

1) Content

The Informal Bid Call shall clearly contain the following:

- a) Specifications of what was requested;
- b) conditions regulating contract in due time;
- c) all the requirements and formalities that must be fulfilled if the informal bid is awarded to them.

b. Term for bidding

In the Bid Call the Buyer shall set the term within which the bidders shall submit their proposals. Said term shall be set according to his needs and working schedule and it shall begin to run from the date the Bid Call is sent.

c. Bid Opening Warning

Upon setting the date and deadline time to submit the proposals, the Buyer shall indicate the place where the bid opening shall be held and that the opening shall be public.

5. Proposals

The bidders shall make their proposals in writing in the form provided for such purpose by the Administration and they shall be delivered in sealed envelopes identifying on the outside the Informal Bid numbers and the name of the corresponding Buyer. The delivery of the Proposals shall be made in the manner established by the Buyer upon requesting them.

6. Opening

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

7. Summary of Proposals

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

- a. Date and time each proposal was received;
- b. Name of bidder;
- c. Price;
- d. He shall indicate whether or not he complied with the specifications, terms and conditions;
- e. Any other information which he deems pertinent to be included and which he has considered to be decisive in the award.

8. Award

The Buyer shall award the Informal Bid to the bidder submitting a responsible bid within the specifications, terms and conditions requested, provided the same constitutes a reliable source of supply, that the price does not exceed four thousand dollars (\$4,000.00) and that the terms offered be the most beneficial to the Government, according to the rules established in the "Bids Regulations" of the Administration.

The Buyer shall certify the award, using for that purpose the official form provided by the Administration.

9. Award Notice

The Buyer shall, at his discretion, verbally inform to whom he awards the Informal Bid, but regardless of whether he informs it or not, he shall notify, within the twenty four (24) hours and using the form provided by the Administration, all the bidders who submitted proposals, the final award and the reasons for rejecting the unsuccessful proposals.

10. Contract

The contract shall consist of the following documents:

- a. Original requisition;
- b. Successful Bid;
- c. Award Notice;
- d. Copy of the Purchase Order

1) Issuance of Purchase Order

The Buyer, at his discretion and according to the needs of his agency, may attach the Award Notice sent to the successful bidder to the Purchase Order.

ARTICLE 46.- Procedure Up to Twenty Five Thousand Dollars (\$25,000.00)

1. When Proper

The procedure for up to twenty five thousand dollars (\$25,000.00) shall be followed when the acquisition involves a construction work which the Public Buildings Construction and Conservation Area of the Administration determines to carry out by contract and the total amount thereof fluctuates between one cent (\$0.01) and twenty five thousand dollars (\$25,000.00).

2. Handling

The informal bid within this modality shall be conducted by the person delegated by the Administrator.

3. Handling Procedure

The procedure for informal bid in the modality up to twenty five thousand dollars (\$25,000.00) shall be handled as established in the "Acquisition Regulations".

ARTICLE 47.- Procedure Up to Ten Thousand Dollars (\$10,000.00)

1. When Proper

The procedure up to ten thousand dollars (\$10,000.00) shall be followed when the acquisition involves services attached to a construction work which the Public Buildings Construction and Conservation Area of the Administration determines to carry out by administration, provided the total cost of said attached services does not exceed ten thousand dollars (\$10,000.00) according to the provisions of sections 420 and 423 of the Political Code of 1902, as amended.

2. Handling

The informal bid within this modality shall be handled by the Delegate or Subdelegate Buyer in the Administration whose appointment expressly authorizes him to do so.

3. Handling Procedure

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

SECTION D: OPEN MARKET

ARTICLE 48.- Definition

1. Meaning

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

2. When Proper

To acquire by means of open market lies in the following cases:

- a. When the good, work or service to be acquired is exempt by law or regulation from being obtained through formal bid by reason of any cause other than the amount involved, in which case the procedure is the informal bid.
- b. When there is an existing contract for what is being acquired whose terms the contractor refuses to fulfill.

3. Handling

Acquisition by open market is handled by the authorized Buyer or the Administration; subject to the provisions in the "Acquisition Regulations" of the General Services Administration.

4. Handling Procedure

Open market acquisition shall be handled according to the procedure corresponding to the cause calling for said procedure, as established in the "Acquisition Regulations" of the General Services Administration.

5. Criterion for Procedure Determination

In order to determine which of the procedures established in the "Acquisition Regulations" of the General Services Administration shall be followed for open market acquisition, shall depend on the cause, sub-

ject to the following:

a. Emergency Procedure

To be used when an emergency arises.

b. Only Sources Procedure

This procedure shall be used when what is to be acquired may only be provided by one person or entity.

c. Procedure with Government

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

d. Minimum Price Procedure

This procedure shall be used when what is to be acquired has a minimum price set by a governmental authority.

e. Unipersonal Service Procedure

When acquisition involves the rendering of a service by only one person.

f. Multipersonal Service Procedure

When what is to be acquired involves the rendering of any service by juridical persons, groups or entities which shall depend on more than one person at a time, or on several persons in related activities in chain rendering different services.

g. Procedure by Provision of Law

When there is a law establishing a special procedure for the specific transaction in question or because of the circumstances involved.

h. Breach of Contract Procedure

When there is an existing contract for what is requested and the contractor refuses to deliver the good, execute the work or render the service under the terms and conditions of said contract.

PART FOUR

TEMPORARY MEASURES AND FINAL PROVISIONS

ARTICLE 49.- Buyers Under Previous Regulations

A thirty (30)-day grace period is hereby granted starting to run from the effective date of these regulations, during which the heads of the agencies shall submit their candidates. Once said period has expired, if no candidate has been submitted by the agency, it shall be understood that the latter has no interest or need that a Delegate Buyer be appointed.

Incumbents on the date these regulations go into effect shall be considered Buyers with temporary appointments who shall be the only ones recognized as such under the provisions of these regulations and under which, ninety (90) days after the effective date of these regulations, no purchase activities may be conducted.

ARTICLE 50.- Record

1. Creation of New Record

Any irregularity in the purchase procedures indicated to the Buyers prior to the effectiveness of these regulations, shall be eliminated from their records as buyers and in no way affect their future record or their possibilities of recognition or prizes as Buyers.

2. Content of New Record

The Administration shall keep a record of each person to whom an appointment of Buyer has been issued and it shall contain the following:

a. Appointment document including:

- 1) Requisition
- 2) Recommendation
- 3) Certifications
- 4) Appointment

- b. Copy of Monthly Reports
- c. Any other communication between the Administration and the Buyer
- d. Audit Reports
- e. Irregularities Reports
- f. Purchase orders record

1) This information shall be kept in a form especially designed for it, in which the following information shall be included:

- a) Date of Purchase Order
- b) Number of Purchase Order
- c) Number of bid or of contract against which the order is issued, or
- d) Procedure used prior to the issuance of order

g. All other documents related to the Buyer.

ARTICLE 51.- Incentives and Prizes Program

There is established in the Administration an incentive and prize program intended to recognize annually the efficient work of the Government Buyers.

ARTICLE 52.- Violations and Penalties

Any private person, officer or employee of the Government submitting incorrect or fraudulent information for the purpose of being issued an appointment as Buyer; any Buyer who lends or negligently disposes of his identification to any person; or who lends his authorization to another person for the purpose of being identified as a Government employee without being one; or being one, the Buyer or another person to whom his identification is given, uses it to have access to purchase documents or to persuade any agent of public order to act in his favor or to third persons so they may deliver goods to them, shall be subject to the application of any of the penalties established in these regulations.

Any person whom the Administrator, after an investigation to that effect, finds to be guilty of violations of any of the provisions of these regulations, shall be subject to one or more of the following penalties:

1. Subject to prosecution under section 32 of Act No. 164 of July 23, 1974, as amended, known as the "General Services Administration". This section provides in its second paragraph that any person violating any of the regulations issued pursuant to said Act, shall be guilty of a misdemeanor and, if convicted, shall be sentenced to pay a fine not less than fifty dollars (\$50.00), nor more than two hundred fifty dollars (\$250.00) or imprisonment in jail for a term not less than one (1) month nor more than six (6) months, or both, in the discretion of the Court.
2. Civil action may be brought against him to recover the amount in question as provided by subdivision c of Section 16 of Act No. 164 of July 23, 1974, as amended, known as the "General Services Administration". Said section provides that any purchase order or contract executed in violation of that Act or of the regulations adopted thereunder, shall be null and void and if public funds were invested, the amount thereof shall be recovered in the name of the Government in an action instituted for such purposes.
3. His appointment as Buyer may be suspended or revoked.
4. The case may be referred to the head of the agency of the person so that, at his discretion, he may proceed to impose one of the sanctions authorized by section 6 of Act No. 5 of October 14, 1975, as amended, known as the "Public Service Personnel Administration Act of Puerto Rico".

ARTICLE 53.- Documents and Procedures, Temporary Effectiveness

Every form shall remain in force until new ones are issued.

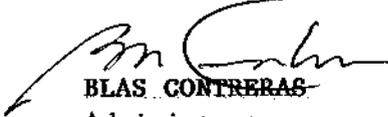
ARTICLE 54.- Repeals

Regulations No. 7 of Delegate Buyers of June 18, 1979, as amended, are hereby repealed.

ARTICLE 55.- Effectiveness

These regulations shall enter into effect thirty (30) days after they are filed in the Department of State of Puerto Rico pursuant to the provisions of Act No. 112 of June 30, 1957, as amended, known as "Regulations Act of 1958".

Approved in San Juan, P. R., on the 24th day of November of 1986.


BLAS CONTRERAS
Administrator