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5 de septiembre de 1963.
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COMMONWEALTH OF PUERTO RICO

San Juan



Sandoval
Secretario de Estado

Rules and Regulations Governing the Preference Pro-
curement Board of the Agencies of the Commonwealth
Government

Pn: Adelfo Porro Doris
Secretario Auxiliar de
Estado

These Rules and Regulations are hereby promulgated pursuant to the authority granted under Section 5(b) of Act No. 96, approved June 29, 1954 (3 L.P.R.A., sections 915 to 925, 1961 Supplement), as amended, especially by Act No. 130, approved June 28, 1961. The purpose of these Rules and Regulations is to put into operation the Government's program for promoting the creation and preservation of employment sources which will reduce unemployment, thus effectively contributing to the economic development of the Commonwealth of Puerto Rico.

Definitions

Wherever used in these Rules and Regulations, the following terms shall have the meanings hereinbelow set forth:

1.- "Board" — The term "Board" shall mean the "Preference Procurement Board of the agencies of the Commonwealth Government", created under Act No. 130,

of June 28, 1961, supra, which shall be composed of the Secretary of the Treasury, who shall be the chairman thereof, the Attorney General, and the Economic Development Administrator.

2.- "Preference List" — The term "Preference List" shall mean the list of various items of merchandise, goods, supplies, materials and equipment which the Board shall prepare —pursuant to the said Act No. 96 of 1954, as amended by Act No. 130 of 1961, supra— establishing a degree of preference for the purpose of their procurement by the Government. The said list shall be amended or revised by the Board at least once a year.

3.- "Preference Percentage" — "Preference Percentage" shall mean the percentage of preference which shall be fixed by the Board for each item of merchandise, goods, supplies, materials, and equipment appearing on the Board's list. The said percentage may not exceed five per cent.

4.- "Nonmanufactured Products Extracted or Produced in Puerto Rico" — All nonmanufactured merchandise, goods, supplies, and materials shall be considered extracted or produced in Puerto Rico when the extraction or production thereof is carried

out entirely in Puerto Rico.

5.- "Products Manufactured or Assembled in Puerto Rico from Materials Extracted, Produced, or Manufactured in Puerto Rico" — All manufactured or assembled merchandise, goods, supplies, materials, and equipment shall be considered to be manufactured or assembled in Puerto Rico from materials extracted, produced, or manufactured in Puerto Rico, when the manufacture or assembly thereof does not entail the use of materials extracted, produced or manufactured outside of Puerto Rico, costing more than 50% of the total cost of all the materials used in the product.

6.- "Products Manufactured or Assembled in Puerto Rico from Materials Extracted, Produced, or Manufactured outside Puerto Rico" — All merchandise, goods, supplies, materials, and equipment manufactured or assembled shall be considered manufactured or assembled in Puerto Rico from materials extracted, produced or manufactured outside Puerto Rico, when the manufacture or assembly thereof entails the use of materials extracted, produced or manufactured outside of Puerto Rico, costing more than 50% of the total cost of all the materials used in the product.

Board Meetings

The Board shall be convened by the Chairman or by any other member thereof at least once a year, to revise or amend the aforesaid list, should it be deemed advisable, with respect to the items therein included as well as to the percentage of preference granted.

Quorum

A majority of the total number of the members of the Board shall constitute quorum.

Decisions of the Board

The decisions of the Board shall be adopted by a majority vote.

List of Merchandise

✓ The Procurement and Supply Service of the Department of the Treasury shall prepare a list of all the nonmanufactured merchandise, goods, supplies, and materials which the agencies of the Commonwealth Government procure for their use, specifying therein which of them are extracted or produced in Puerto Rico; and it shall also prepare a list of all the manufactured or assembled merchandise, goods, supplies, materials, and equipment which said agencies of the Commonwealth Government procure for their use, specifying therein such information as it may have as to

which of said manufactured products are manufactured or assembled in Puerto Rico.

✓ The Procurement and Supply Service of the Department of the Treasury shall submit the said lists ✓ to the Economic Development Administrator, who, in turn, shall designate which of the products on those ✓ lists are manufactured or assembled in Puerto Rico from materials extracted, produced, or manufactured in Puerto Rico, and which of the products are manufactured or assembled in Puerto Rico from materials extracted, produced or manufactured outside Puerto Rico. The Economic Development Administrator shall prepare a list of products carrying the information ✓ submitted by the Procurement and Supply Service of the ✓ Department of the Treasury, and the report of the Administrator together with his recommendation, all of which shall be submitted to the Board for its final decision as to which products shall be included in the Preference List that the Board shall prepare, pursuant to Act No. 130, approved June 28, 1961.

Preferences

1.- In every bid for the procurement of nonmanufactured merchandise, goods, supplies, or materials appearing on the "Preference List", approved by the

Preference Procurement Board of the agencies of the ✓
Commonwealth Government, where the specifications,
delivery terms, and other conditions set forth in
the proposals are identical, the award thereof will
be made in the following order of preference, to the
bidder whose products have been extracted or produced
in:

- a) Puerto Rico, which bidder shall enjoy a prefer-
ence of 5% in his favor;
- b) United States;
- c) in any other country.

2.- In every bid for the procurement of manufac-
tured or assembled merchandise, goods, supplies,
materials or equipment appearing on the Preference List
approved by the Preference Procurement Board of the
agencies of the Commonwealth Government, where the speci-
fications, delivery terms, and other conditions set
forth in the proposals are identical, the award thereof
will be made in the following order of preference, to
the bidder whose products have been:

- a) Manufactured or assembled in Puerto Rico from
materials extracted, produced, or manufactured
in Puerto Rico, which bidder shall enjoy a
preference of 5% in his favor;

- b) Manufactured or assembled in Puerto Rico from materials extracted, produced, or manufactured outside Puerto Rico, which bidder shall enjoy a preference of 4% in his favor;
- c) Manufactured or assembled in the United States;
- d) Manufactured or assembled in any other country.

Bidders

Any bidder who believes himself entitled to the preference granted under the law and these Rules and Regulations, shall request such preference upon submitting his proposal, certifying the conditions and circumstances which make him eligible for the preference requested.

Misrepresentation or alteration of any of the facts upon which any bidder bases his request for preference, shall make him ineligible for participation in future public bids for a period of not less than six months.

Effectiveness

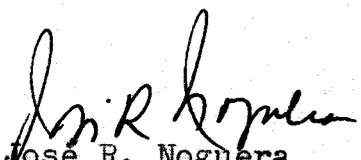
These Rules and Regulations shall take effect immediately after their promulgation pursuant to the

provisions of the Rules and Regulations Act of 1958, Act No. 112, of June 30, 1957 (3 L.P.R.A., secs. 1041 to 1059, 1961 Cum. Supp.).

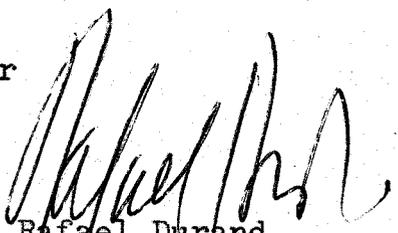
Applicability to Public Corporations

The provisions of these Rules and Regulations shall apply to all public corporations which decide to avail themselves of the provisions of Act No. 130, of June 28, 1961, supra, if and when this is permissible under the respective laws regulating these corporations.

Approved by the Preference Procurement Board of Commonwealth Agencies, this 6th day of the month of February, 1962.


Jose R. Noguera
Secretary of the Treasury,
as Chairman of the Board.


Hiram R. Cancio
Attorney General,
in his capacity as Board member


Rafael Durand
Administrator, Economic
Development Administration,
in his capacity as Board
member