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PROCEDURE FOR THE ACQUISITION OF

EQUIPMENT, MATERIALS AND SERVICES

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COMMONWEALTH OF PUERTO RICO
PUBLIC BUILDINGS AUTHORITY
SAN JUAN, PUERTO RICO

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I. INTRODUCTION

The Public Buildings Authority, in its effort of keeping its administrative functions at the highes degree of efficiency and with due control and economy in its operating costs, should set guidelines to govern the acquisition activity of materials, equipment and non-professional services, which will allow an equitable and fair participation of the private sector.

The main objectives of the purchase activity are directed at insuring the supply of materials, equipment and non-professional services, necessary for the operations of the Authority as the appropriate time and place, in the amonts required and of the necessary quality; so that said operations can be carried out as efficiently as possible. To guarantee further, among other important factors, the lowest prices, promoting an ample and healthy competition. The activity should be coordinated according to the budgetary provisions and programmed to take advanteage of making volume purchases.

The articles that are kept in warehouse should, to a certain point, be uniform and of general use to make possible the simplification of this function. Minimum sufficient supplies with which the more pressing problems can be solved at the time a need arises.

Considering the importance of these factors, the procedure for the Acquisition of Equipment Material and non-Professional Services is adopted, and forms part of the Administrative Manual of the Authority.

II. LEGAL BASIS AND PURPOSES

A. This procedure is enacted by virtue of article 5, paragragh 3 of Law No. 56 of June 19, 1958, which creates the Public Buildings Authority, as it has been subsquently amended.

B. The purpose of this procedure is to establish the guidelines and the processes that must be followed by officers and employees who requisition materials, equipment and non-professional services from those sources and potential suppliers in harmony with the most salutary principles of public administration.

III. DEFINITION OF TERMS

A. The following terms and phrases, as used in this procedure, shall have the meaning set forth below, unless something else is clearly indicated from its text.

1) Authority - Refers to the Public Buildings Authority, a governmental agency created by provision of Law No. 56 approved on June 19, 1958, as subsequently amended.

2) Executive Director - Refers to the Executive Director of the Public Buildings Authority.

3) Requisition for Materials, Equipment and Services - Is the official document used by the Offices, Areas, Regions and Buildings to request, from the Purchasing and Supplies Office, materials, equipment and services.

4) Purchase Order - Is the official document which the Purchasing and Supplies Office sends to the Supplier, duly

filled out, requesting the materials, equipment and services that are required.

5) Receipt and Inspection Report (Widow) - Is the copy of the purchase order which is sent to the Office, Area, Region and requesting Building with which the receipt of materials, equipment or requested services will be confirmed.

6) The Purchasing and Supplies Office - Is the work unit in charge of the tracing and of the acquisition of the materials, equipment and non-professional services.

7) Supplier - Commercial house, corporation, firm or person from whom the requested article and services are purchased.

8) Purchase, Services and Supplies Area - operating Unit of the General Services Administration, of the ELA in charge of making purchases in a centralized manner for the agencies of the State and Municipal Government which are obliged by law to make their purchases through the area.

9) Purchasing Agent - Person who is designated to make the acquisition and provision of materials, equipment and non-professional services.

IV. GENERAL GUIDELINES

A. All purchases of materials and equipment, as well as all acquisition of non-profesional services will be handled according to this purchasing procedure and in keeping with federal legislation concerning energy conservation (Energy Policy Conservation Act-December 1975 and Energy Conservation and Production Act-August 1976) which provides that the government acquire energy saving equipment.

B. The officials and employees of the Authority will not accept services, gifts or favors from persons or entities who are doing business or who have shown their intention of doing business with the Authority.

C. In cases where samples or models are required, same shall be returned to the persons who submitted them after the pertinent determination has been made.

D. All information related to the purchasing and supply endeavor will be considered confidential until the authorized official makes a final determination or until the transaction is carried out.

E. No advantage or preference, nor priviledge shall be given to any person, firm, corporation or entity whatsoever of those that do or may do business with the Authority; except as established further on in paragraph I.

F. The Purchasing and Supplies Office is responsible for achieving the supply of all types of equipment, materials and non-professional services necessary for the Authority.

G. The Offices, Regions, Areas and Buildings of the Authority shall make their requests for materials, equipment and services in time so as to allow the Purchasing and Supplies Office to carry out the processes in an orderly manner.

H. All purchases made in cases of emergency must be fully justified to the Purchasing and Supplies Office.

I. According to Law No. 103 of June 24, 1977 in evaluating offers a maximum of 4% preference shall be granted in the purchases, when the articles to be acquired are produced, extracted,

manufactured or assembled in Puerto Rico with raw materials from abroad. A 5% will also be granted if the product is produced, extracted, manufactured or assembled in Puerto Rico with local raw materials. The primary purpose of the cited law is to stimulate the sale of products made in Puerto Rico, thus contributing to our industrial development. To implement said law, to said ends the measures of Circular Letter No. 78-1, issued by the Governor's Office on October 3, 1977 is adopted as well as those others subsequently issued by that office concerning the law referred to.

V. DUTIES OF THE PURCHASING AND SUPLLIES OFFICE

A. This Office has the responsability of supervising all processes for the purchase and supply of materials, equipment and non-professional services to be acquired by the Authority.

B. This Office, among others, has the responsibility for the adoption and correct and efficient application of all norms, procedures and instructions related to all the processes for purchase of materials, equipment and non-professional services.

C. It shall be responsible for submitting, when it's required of it, reports of purchasing operations which will include, among other things, amount of requisition, orders issued, received and pending receipt.

D. It is responsible for making the purchases through personnel designated for that purpose.

E. The Purchasing Agent shall give correct instructions to the suppliers so that these may make deliveries in due time and in the place indicated.

F. The Purchasing Agent shall receive the visits of the suppliers from the commercial firms related with the materials, equipment and services which the Authority uses.

G. The Purchasing Agent shall keep abreast of the price fluctuations in the market.

H. The Purchasing Agent shall periodically visit businesses, factories, shops and installations for the purpose of familiarizing, himself with the general characteristics of the products and materials.

I. The Purchasing Agent shall keep an updated register of those materials, equipment and services which are most frequently purchased which will indicate the description of the materials, equipment and services and the supplier with his address, telephone number and price.

VI. PREPARATION AND PROCESSING OF THE REQUISITION OF MATERIALS, EQUIPMENT AND SERVICES (ATTACHMENT-1)

A. PREPARATION OF THE REQUISITION

1. Before originating a requisition, the Office Area, Region or requesting Building must make sure that the material or equipment which he needs is not available in another office or the warehouse or that the service can not be provided by Authority personnel and further, if it is included in the operating expense budget for the year in question.

   These steps will also be made by the Purchasing and Supplies Office as indicated further on in section C-2.

2. The office, Area or Building which needs to acquire materials, equipment or service to carry out its functions

shall prepare the official form "Requisition for Materials, Equipment and Services" in original and three (3) copies as follows:

a) For the control of the Office, Area, Region or Building, these shall designate correlated numbers to its requisitions.

b) Delivery - The specific place where the material or equipment requested is to be delivered, as well as the appropriate date for delivery of same. If the materials or equipment are to be used in several projects of a specific region, delivery should be requested to the warehouse for that Region. When the materials or equipment is for projects in several regions, the place of delivery shall be the Central Warehouse of the Authority.

c) Project, Region, Area, Office, Others - In this box will be indicated the specific Project, Region, Area, Office, etc. to which the services, materials or equipment are destined for and to which the cost of materials, equipment and/or services shall be charged.

d) Entry Number - The entry number shall be entered as the articles are numbered in correlative order.

e) Description of Article or Services (Specifications) - A description of the articles or services to be requested shall be made, that should be clear and complete, containing details such as watt, size, horsepower,

width, color, weight, etc. Should it be necessary to accompany drawings, plans, prints, commercial designations (such as models), industrial norms and other descriptive references.

f) Quantity requested - The total amount of the needed article or material shall be set out in detail.

g) Unit - The unit of measure such as pints, dozens, feet, gross, gallons, etc. should be indicated.

h) Justification - A brief description of the use to be given to the material or article which is requested and the need for same shall be justified.

i) Also reference to any book, magazine, text or catalogue which may guide the supplier or potential supplier.

j) All requisitions for materials, equipment or non-professional services for projects under construction shall state, in outstanding form, if the corresponding amount will be charged to the contractor.

k) The requisitions that cover several categories which can be obtained from the same supplier, should be included, as far as possible, in only one requisition. Each Office, Area, Region or Building shall keep adequate records and the numbering of requisitions issued, as well as Purchase Orders issued, corrreponding to said requisitions.

3. All requisitions for materials, equipment and services shall be filled out and approved by the Director of the requesting Office or Department, who shall judge the urgency and need of the purchase requested and shall sign it in the corresponding space; and send a copy to the requesting unit and the original and the remaining two copies to the Purchasing and Supplies Office.

4. If one wants to cancel a requisition after it's submitted to the Purchasing and Supplies Office, it shall be requested by phone and shall be confirmed by memorandum indicating the reasons for such action.

5. The Director of Purchasing and Supplies Office shall check that the requisition is properly filled out and that it is signed by the corresponding offices.

B. PROCESSING OF THE REQUISITION IN THE PURCHASING AND SUPPLIES OFFICE

1. The Purchasing Office shall proceed to record the requisition in the requisition and purchase order registry (Attachment II), in which the following information shall be noted:

a) The corresponding number of the requisition, in sequential order, as they are received in the Purchasing and Supplies Office.

1. The number of the requisition consist of five (5) digits, the first of which is used to identify the dependency where the requisition originates and the next four (4) the correlative order assigned by the Purchase and Supplies Office.

example: 13-001, 13 is the Area, - The requisition is number 1 registered in the Purchasing and Supplies Office.

b) Name of the requesting Office, Area, Region or Building.

c) Date received at the Purchasing and Supplies Office.

d) Number of entries included in the requisition.

e) If the requisition is returned, the date of return shall be entered.

2. It shall be submitted and assigned to one of the Purchasing Agents to do the purchasing considering the following facts:

a) In the case of materials requested, verify whether the stock in the requesting unit warrants that requisition; if the requisition can be supplied from the stock in the Central Warehouse; if the materials or equipment requested can be found unused in other Offices, Areas, Regions and Buildings of the Authority or that the service can be provided by Authority personnel and shall see to it that in the current budget funds have been provided for what is requested (See Section 7).

b) That the articles and equipment requested are within the austerity and modesty guidelines established by the Honorable Governor of Puerto Rico and those adopted by the Public Buildings Authority.

c) That the articles and equipment requested do not constitute an extravagant,

excesive or unnecesary expense according to its usefulness.

3. The Purchasing Agent will proceed with the requisition depending on the value of the purchase according to the following:

a) If the material or equipment requested is contracted by the Area of the Purchasing and Supplies Office of the General Services Administration, it will be made by this means as long as it is more convenient for the Authority.

b) The purchases that do not exceed $50.00 will be made as far as possible to be charged to the Petty Cash Fund.

c) For purchases in excess of $50.00 up to $300.00 the Purchasing Agent will request telephone quotations from at least two (2) sources of supply, if there be any, according to the experience previously obtained in quotations, quality and service safeguarding the best interests of the Authority.

d) For purchases in excess of $301.00 up to $3,000.00 telephone quotations will be requested from at least three (3) sources of supply, if there be any, and shall be noted in the space provided in the Materials, Equipment and Services Requisition.

e) For purchases in excess of $3,001.00 up to $5,000.00 quotations will be obtained in writing from at least three (3) sources of supply, if there be any, using the form "Request for Prices in the Open Market" (Attachment III), which will

be filled out in original and copy as indicated further on.

f) For purchases in excess of $5,001.00 up to $10,000.00 quotations will be obtained in writing from at least four (4) sources of supply, if there be any, using the form "Request for Prices in the Open Market" (Attachment III), which will be filled out in original and copy as indicated further on.

g) For purchases in excess of $10,001.00 to $20,000.00 quotations will be obtained in writing, in sealed envelopes, from at least five (5) sources of supply, if there be any, using the form "Request for Prices in the Open Market" (Attatchment III), which will be filled out in original and copy as indicated further on. All purchases of materials or services for specialized work should have the approval of a qualified technician or professional in the field.

h) The purchases with value in excess of $20,000.00 for the supply of materials, equipment or services, except personal, professional or consultation services, or material, or specilized equipment for which there exists only one supplier in the market, should be done through bids in the manner prescribed by the Bids Regulations adopted by the Authority.

4. The form "Request for Prices on the Open Market" (attachment III) shall be filled out

in original and copy and shall be processed in the following manner:

a) In the upper part of the form the commercial firm and its address will be indicated, the date on which the request is sent, the delivery period, the place or site where the supplier will deliver the merchandise and way or means by which the merchandise will be sent, For example: truck, air or regular, or picked up in place.

b) The columns corresponding to the article number, the amount and the description of the article requested shall be filled out by the Purchasing and Supplies Office.

c) The Director of the Purchasing and Supplies Office shall check the request and sign in he corresponding space.

d) The original of the forms will be sent to the bidder who shall send his quotations prior to the calendar days indicated in the lower part of the form.

e) In the Purchasing and Supplies Office a copy shall be kept to provide the corresponding follow-up until the quotation is received, which once received and the purchase order processed, shall be filed with the requisition.

f) The columns corresponding to federal requirements concerning energy, unit price and date of delivery will be filled out by the supplier who will sign in the corresponding box.

5. In comparing bids and making awards the Purchasing and Suppplies Office shall take into consideration the following criteria:

   a) Prices submitted.

   b) Specifications established.

   c) Quality and relative adaptability of the materials, equipment or services and if they meet the federal requirements concerning energy conservation according to Circular Letter ASG-No. 78-14 of March 30, 1978.

   d) Financial responsibility of the bidder and his knowledge, experience, reputation, commercial integrity to provide the services and/or supply the materials or equipment requested by the Authority.

   e) Time for delivery or performance offered.

   f) The provision of Law Number 103 approved on June 24, 1977 and its regulation (See Paragraph I of Section IV- General Guidelines).

   g) The purchase order shall be issued to the lowest bidder who complies with all the requirements indicated and that is most advantageous to the best interest of the Authority.

6. Once the Purchasing Agent has obtained the prices, he shall make the notations in the corresponding column of his requisition and will submitted to the Supervisoror Assistant Supervisor for Purchases and Supplies, who shall certify that the proceedings have been complied with and shall initial same with the appropriate recommendations.

He will submit said requisition for the approval of the Director of the Purchasing and Supplies Office.

Columns of the Requisition

a) Unit Price - The Purchasing Agent shall enter the price of each article or material requested.

b) Total - The Purchasing Agent will enter the total cost of the material or services requested.

c) In the "SUPPLIERS" space the Purchasing Agent will enter the quotations obtained from each supplier and in the "OBSERVATIONS" space he shall indicate any clarifying notation concerning the purchase procedure carried out and will initial it to recommend action to the Director of the Purchasing and Supplies Office.

7. Under no circumstances will the withdrawl of a bid be permitted nor changes or modifications made after having been received in this Authority.

8. In the cases where an offer has been received from only one bidder and it is determined that he is the only supplier in the market for the articles and services it may be accepted by the Director of Purchasing and Supplies, as long as it´s considered fair and reasonable and after a a detailed evaluation and obtaining recommendations from related technical units.

9. For purchases in excess of $ 5,001.00 up to $10,000.00, the Director of Purchasing and Supplies shall request whenever it be necessary, an evaluation report on the two (2) lowest bids to an official or qualified officials of the Authority which

guarantee an equitable evaluation of the offers, the quality of materials and equipment and the commercial and financial qualification of the bidders. Any Office or Area of the Authority which is consulted will see to the request of the Purchasing and Supplies Office so that places at the disposal of this office the competent officer(s) that may be necessary for the corresponding evaluations, which will be submitted to the Purchasing and Supplies Office (10) working days from the date of the request.

10. Any or all bids may be rejected during any stage of the process prior to the emission of purchase orders:

a. When one or more of the bidders do not meet any of the requirements, specifications or stipulated conditions.

b. When it is estimated that adequate competition has been obtained.

c. When the prices obtained are unreasonable.

d. When there are not sufficient funds available to pay the articles or services of the offer with the lowest price.

e. When the petitioning dependency desists from the purchase.

C. APPROVAL OF THE REQUISITION

1. The requisitions up to $3,000.00 will be approved by the Director of the Purchasing and Supplies Office; those that exceed $3,001.00 will

be approved by the Executive Director or his authorized representative.

2. Before sending the requisitions for equipment, to the Purchasing and Supplies Office these must have the prior approval of the Executive Director or his authorized representative who shall authorize the Comptroller of Authority to make the transfer of funds as long as these are available.

3. The requisitions for air transport services outside of Puerto Rico shall be sent with an explanatory memorandum to the Executive Director or authorized official for approval of these requisitions. The requisition once approved shall be referred to the Purchasing and Supplies Office for it to take steps to buy the tickets.

4. All requisitions submitted by the Office of the Executive Director shall be approved by the Director of the Comptroller's Office and by the Director of the Purchasing and Supplies Office.

5. The requisitions from the Purchasing and Supplies Office shall be approved by the Comptroller's Office.

VII. PREPARATION AND PROCESSING OF THE PURCHASE ORDER

A. The Purchasing and Supplies Office in keeping with the information included in the Materials, Equipment and Services Requisition (Attachment I) will prepare Purchase Order, (Attachment IV), in original and six (6) copies, which will be filled out in the following manner:

1) In the box in the upper right hand the number and date of the purchase Order and the number of the requisition will be indicated.

2) It will indicate the name and exact address of the supplier.

3) In the box "Area or Office" the Region, Area, Building and Office that requests the materials, equipment or services will be indicated.

4. Project Number - The name and number of the project to which the expenses or commitment of funds will be charged.

5. Terms - The discount or freight will be indicated if there is any.

6) The delivery time will be indicated in terms of calendar days.

7) Site - The place where the supplier will deliver the materials or provide the service.

8) Via - will indicate the means by which the materials, equipment or services will be sent.

9) Item Number - In this column the number of entries will be inserted as they are being requested in corrrelative order.

10) Amount - The amount to be required will be included.

11) Unit - The corresponding unit will be indicated such as: dozen, feet, box, gross, each, gallon, etc.

12) Description - An explicit, clear, concise, explanation, will be made susceptible of only one interpretation of the material or service to be purchased.

13) Price per Unit - The price of each article or material requested will be indicated.

14) Amount - The amount per item and for all the materials or services requested will be indicated.

15) In the box provided for the use of the Comptroller's Office the account, the fund, the account number and the cost of the order to be charged will be indicated.

B. After a Purchase Order has been filled out, the Director of the Purchasing and Supplies Office shall check same and sign it.

C. In the Purchasing and Supplies Office they will proceed to register the Purchase Order in the "Requisition and Purchase Orders Registry", (Attachment II), in which the following information will be noted:

1. The purchase Order number and date.
2. The name of the Supplier.
3. Number of items included in the Purchase Order.
4. The date and place where the supplier will deliver the merchandise or provide the service.
5. Total of the Purchase Order.
6. Date of receipt of the merchandise at the place where the supplier will deliver the merchandise or provide the service, when this event occurs.
7. In the space marked "Observations" any clarifying note concerning said Purchase Order shall be entered.

VIII. PROCESSING OF THE REQUISITION AND PURCHASE ORDER

1. The Director of the Purchasing and Supplies Office will verify that the Requisition is properly filled out by the petitioner.

2. The processed requisitions and purchase orders shall be entered in the "Requisitions and Purchase Orders Registry" prepared by the Purchasing and Supplies Office for this purpose.

3. The Purchase Requisition after having been processed will be submitted to the Executive Director or to the Director of the Purchasing and Supplies Office (see article VI - Paragraph C. No. 1).

4. The Requisition and the Purchase Order after having been checked by the Purchasing and Supplies Office will go on to the Comptroller's Office for an account number to be assigned to it, to which same shall be charged, where further an entry in the budget of the corresponding Office, Area, Region or Building will be entered.

5. The Director of the Comptroller's Office or his representative will verify that the code and account to which it is to be charged is correct and will sign both documents certifying that there are funds available for the acquisition of the materials, equipment or services.

6. Once the documents are signed by the Comptroller or his representative, it shall be returned to the Purchasing and Supplies Office for distribution in the following manner:

a) Requisition for Materials, Equipment and Services

Original and green copy - will be kept in the Purchasing and Supplies Office.

Pink copy - Comptroller's Office

Blue Copy - Will be sent to the requesting Office, Area, Region or Building.

b) Purchase Order

Original - Will be sent to the Supplier.

Green Copy - Will be sent to the Office, Area, Region or requesting Building.

Pink Copy - Will be sent to the Comptroller's Office.

Receipt and Inspection Report (widow) - The two copies will be sent to the responsible person in the Office, Area, Regional Office, Building under construction or occupied, Central Warehouse or Conservation Shop for receipt of the material, equipment or services ordered.

IX. RECEIPT, INSPECTION AND CERTIFICATION OF THE MATERIALS, EQUIPMENT AND SERVICES.

A. Generally the articles kept in Perpetual Inventory are received at the Central Warehouse of the Authority. In cases in which a different procedure is desired, the Supervisor of the Central Warehouse shall previously notify the Purchasing and Suplies Office. In cases of new equipment or materials which require special inspection, prior to delivery arrangements can be made to carry out the inspection of same.

B. Heavy Equipment and Construction materials will be received directly at the construction projects unless the contrary is provided.

C. The Director of the Office, Area, Region and/or requesting Building will make the pertinent arrangements so that the equipment or materials that are received outside the Central Warehouse or the warehouse provided in the different Buildings or Regions of the Authority, are stored in safe places

and adequate places under the care and supervision of an authorized person.

D. Upon receipt of materials, equipment or services, the person in charge of receiving them will follow the following procedure:

1. He shall inspect the materials, equipment or services in regards to quality, quantity, condition and in keeping with the specifications submitted. He should weigh, count or measure them and enter them in the corresponding column of the Receipt and Inspection Report (widow) to inform the quantities received.

2. By means of this report the articles that have been received in good condition and which are complete and in conformity with the specifications of the Purchase Order, will be certified. Should there be any discrepancy, damaged or broken merchandise, it will be reported immediately to the Purchasing and Supplies Office for it to make the necessary arrangements with the supplier so that the deficiency be repaired.

3. The person designated in the Office, Area, Region and/or requesting Building, after checking the merchandise with the Receipt and Inspection Report of the Purchase Order (widow) and with the suppliers invoice will enter the date of receipt in said report and sign same, certifying that the merchandise received has been checked and is found in satisfactory condition. This employee will send the two (2) copies of the Report to the Purchasing and Supplies Office with the invoice, bill,

shipping, documents and notice of freight, if there be any.

4. In case that part of the merchandise is delivered, a partial Receipt and Inspection Report will be prepared (Attachment V) and will be sent to the Purchasing and Supplies Office together with the documents while keeping the two (2) copies of the Receipt and Inspection Report (widow) until the complete order is delivered.

5. The Purchasing and Supplies Office will proceed to enter the date in which the merchandise is received in the Requisitions and Purchase Orders Registry and shall send the Receipt and Inspection Report together with the documents to the Comptroller´s Office for payment of same.

6. The Purchasing and Supplies Office shall issue a change in Purchase Order (Attachment VI) in those cases in which any conflict exists between the original order and the final delivery and billing of the merchandise. An original and six (6) copies will be prepared with the following distribution: original and one copy with all the documents will be sent to Paying, in case of total cancellation they will be filed in the Supplier´s file which exists inthe Purchasing and Supplies Office, a copy to the Comptroller´s Office (Inventory), a copy to the supplier, a copy to the Purchasing and Supplies Office and in case it´s a complete cancellation a copy for Finance.

X. LOCAL OR EMERGENCY PURCHASES

A. On some occasions the farthest offices from the Central Office of the Authority are forced to make emergency purchases, due to unpredictable circumstances, to be able to continue those functions whose delay could entail additional costs. In the event this should happen, the Regional Director by a telephone call with his Office Director or his authorized representative shall obtain a Purchase Order number. The Director of the Purchasing and Supplies Office will assign a number and enter in the Purchase Orders Registry the number that was assigned to it and the name of the person who authorized the assignment of said number. After the assignment of the number the Regional Director shall request the acquisition of the materials, equipment or services from a local supplier who will bill the Authority.

B. Emergency Purchases as long as they do not exceed $50.00 may be made with charge to the Petty Cash Fund as established in procedure 400.2 "Procedure for the Operation of the Petty Cash Fund".

C. Emergency Purchases in excess of $50.00 will require the authorization of the Director of the Conservation and Safety Engineering Area. Said authorization will be obtained by telephone as long as the emergency is of such a nature that the function of the Authority will be interrupted. The invoice for the materials acquired will be attached to the Requisition for Materials, Equipment and non Professional services and shall be sent to the Purchasing and Supplies Office through

the Director of the Conservation and Safety Engineering Area.

D. After the emergency purchase has been made pursuant to paragraph C of this article, the Regional Director shall proceed to prepare a Requisition for Materials, Equipment and non-Professional Services (Attachment I) which shall be sent through his Office's Director of Purchasing and Supplies accompanied by the invoice and the bill or documents that he may have received from the supplier following the processes pointed out in the Article VI of this procedure.

E. The Director of the Purchasing and Supplies Office upon receiving the requisition with the documents pointed out, will sign them in the corresponding space for their pertinent anotations who will proceed to send same with all its documents to the Comptroller's Office so that the payment will be processed in the Finance and Disbursements Division.

F. When circumstances arise in which the public interest requires that local or emergency purchases be made with certain frequency and same may be extended for an indefinite period of time, the Executive Director, if he understands it to be in the best interests of the Authority may designate an employee who will be his authorized representative in the site or place where his services are necessary.

XI. PURCHASES TO BE PAID IN ADVANCE

A. The purchase of materials, equipment or non-professional services with advance payment will be authorized by the Director of the Comptroller's Office

only on those occasions of extreme emergency and of immediate need, thus avoiding that the Authority will suffer loss of money, time and work due to the lack of materials, equipment or services in detriment to the efficiency of the service.

B. When there is a need to make purchases to be paid in advance, the same procedure will be followed as with an ordinary order, except that once the Purchasing and Supplies Office has prepared the order, it will be sent to the Comptroller´s Office for it to proceed to prepare the check.

C. The Purchase Order, in the upper right space where it reads terms should read in outstanding letters the phrase Payment in Advance (C.O.D.).

D. The Purchasing and Supplies Office should enter in the observations column of the Requisition and Purchase Orders Registry, the number and date of the Payment Voucher.

E. The Receipt and Inspection Report (widow) will be processed as usual, except that in case of subscriptions or magazines of an informative character, technical, periodical nature, etc. payments in advance will be sent to the person in charge of receiving and controlling the subscriptions. This employee shall keep it in the active file until all the issues of the subscription are received, on which date he shall sign said report and will send it to the Comptroller´s Office, so that the official or person in charge of the paid-in-advance purchase orders registry may proceed to make the corresponding entry. In the Comptroller´s Office a cross-reference record will be kept

by the person in charge of receiving and controlling the subscription for purpose of fixing responsibility and control.

XII. PURCHASE THROUGH PUBLIC AUCTION

A. GENERAL PROVISIONS

1. The purchases with a value in excess of $20,000.00, except personal and professional services, should be made by Regulation 400.4, Auction Regulations, which forms part of the Administrative Manual of this Authority.

2. The Authority may make purchases through the services or facilities of the General Services Administration of the Federal Government without the approval of the Auctions Board as long as that results in more advantage and economy for the Authority and by written evidence which shows that it is not practical to obtain the same article for the same price in the local market.

B. ADDITIONAL PURCHASE OF MATERIALS ALREADY ORDERED

1. Quantities in excess of materials ordered may be added to the original order in special circumstances with the approval of the Executive Director or his authorized representative and in keeping with the Auctions Regulations in corresponding cases, by use of the form Change in Purchase Order.

2. In these cases it is not necessary to open a new auction, unless there is knowledge that the price of said material has been reduced.

3. The material to be added to the original should be acquired under

the same or more favorable conditions than those stipulated in the original order. Should it be necessary, the date of delivery of the whole order may be varied as long as this variation is expressly indicated in the supplementary order.

XIII. EMERGENCY ACQUISITION IN EXCESS OF $20,000.00

The acquisition of equipment, materials and services which due to an unexpected or unforseen situation or one of such a nature as to require immediate action because the life, health or safety of one or more persons is in danger or of suspending or adversely affecting the public service or the facilities or operations of the Authority, which constitutes an emergency situation when the cost of same exceeds $20,000.00 and because of said circumstances it is not recommended because of time limitations, the holding of an auction, they will be done through the following procedure:

A. RESPONSIBILITY OF THE DIRECTOR OR HEAD OF A UNIT, AREA OR AFFECTED OFFICE

1. First determine the existence of an emergency situation.
2. Obtain evaluation and prepare a report substantiating the emergency situation which has arisen.
3. As applicable, prepare or obtain plans, specifications and estimated costs to determine the resources to obtain the equipment, material and/or services required.
4. Submit a memorandum to the Auction Board expressing the aforementioned situation requesting that it be recommended that the situation be declared an emergency for the purposes of exempting it from the requirement of an Auctions Procedure.

B. EVALUATION AND APPROVAL OF THE DETERMINATION REQUESTED BY THE AUCTIONS BOARD

1. The Auctions Board shall hold a meeting in the presence of the Director of the Area, Office or unit in question and the Director of the Purchasing and Supplies Office and all other personnel it considers pertinent to evaluate the determination requested concerning the existence of an emergency situation.

2. The Board will submit its recommendations to the Executive Director for the corresponding determination.

C. ACQUISITION OF MATERIALS, EQUIPMENT OR SERVICES REQUESTED ON AN EMERGENCY BASIS BY THE PURCHASING AND SUPPLIES OFFICE

1. The Purchasing and Supplies Office, once authorized by means of minutes of Board, approved by the Executive Director, will take steps to obtain the services, materials and/or necessary or corresponding equipment through the Procedure established; to award a purchase order or a contract with the advise, as this may be necessary, of those corresponding Areas, Offices or Units.

2. The Purchasing and Supplies Office will include in the quotations request all those conditions, specifications, plans and insurance that may be necessary, including in applicable cases the contract document to be signed with prior determination to that effect of the Purchasing and Supplies Office according to the nature of the equipment, materials and/or services to be acquired.

3. It shall establish the time it deems reasonable for bidders to submit their proposals, according to the urgency of the work, services, etc. that are needed.

4. It will establish the criteria for the adjudication of the contract, the date estimated for the commencement and conclusion of the work, delivery of materials or equipment and/or provision of services and any other conditions of use permits, guarantees or certifications which the project, work or services requires.

5. Once the proposals are received, same will be evaluated together with the affected Unit, Areas or Office and any other pertinent ones.

6. Once the proposal is evaluated and the most reasonable and convenient bidder according to the established conditions, is decided he will prepare an Emergency Award Report to be submitted for the approval of the Executive Director.

7. Once the Award Report is approved by the Executive Director, the corresponding purchase order or signed contract document will be issued.

8. In those cases in which the acquisition exceeds fifty thousand dollars ($50,000.00), same shall be submitted for the approval of the Board of Directors.

D. APPROVAL AND CERTIFICATION OF THE WORK

1. The requesting unit that intervenes in the supervision of the works with the advise the Area or Office, as may be applicable, will be responsible of the approval and

certification of the works as finished or of having received the material, services or equipment as stipulated.

2. The requesting unit, with the advice of the Area or Office that intervenes in the supervision of the works, as applicable, shall ubmit written certification to the Comptroller's Office for the corresponding payment that the works were completed to their complete satisfaction and according to the contract conditions and/or that the material, equipment and/or services were received as required.

3. Any change required by the purchase order or the contract, should be discussed with the requesting Unit, Area or Office that provides advice as applicable and the Director of the Purchasing and Suppplies Office and produce the documents necessary to justify same. Any change should have the approval of the Executive Director.

E. PROCESSING OF THE REQUISITION IN THE PURCHASING DIVISION

A. In acquisitions in excess of $300.00 up to $3,000.00 telephone quotations will be requested from at least three (3) sources of supply, if there be any, and will note them in the space provided in the Materials, Equipment and Services Requisition.

B. In acquisition in excess of $3,0001.00 up to $5,000.00 written quotations will be obtained from at least three (3) sources of supply, if there be any, using the form "Request for Prices in the Open Market", (Attachment III), which will be filled out

in original and copy, as indicated in the procedure.

XIV. CHALLENGE OF AWARDS

A. CASES TO BE HEARD

1. When any bidder considers that the procedure carried out for the acquisition of equipment, materials and services has not been held following the provisions established by this Regulation or by any other applicable provision.

2. When any bidder considers that the award for the acquisition of equipment, materials and services has been influenced or in any manner favored by that official or employee of the Authority or that the favored bidder does not meet the specifications for the equipment, materials and services to be acquired.

B. AWARDING OFFICIALS

For the purpose of guaranteeing to the bidders theright to a fair participation, the Executive Director shall name administrative law judges so that they will preside challenge hearings concerning the agency awards related with the procedure for the acquisition of equipment, materials and services.

C. WRIT OF CHALLENGE

The bidder that wants to challenge an award made by the Authority for the acquisition of equipment, materials and services should do so by filing a writ of challenge. This writ will be submitted in original and two (2) copies on or before 10 calendar days after the date of award for the purchase of equipment, material or services. Said writ shall be tendered

at the Legal Services Office. A copy of same shall be sent by the appellant to the favored bidder and another to the Director of the Purchasing and Supplies Office.

D. CONTENTS OF THE WRIT OF CHALLENGE

The complaint or petition shall include the following information:

1. Name and postal addresses of all the parties.
2. Facts on which claim is based.
3. Reference to the applicable legal provisions, if they are known.
4. Relief requested.
5. Signature of the movant in the procedure, in the cases of legal person same should be signed by its authorized representative.

E. NOTICE OF HEARING

The agency shall notify all the parties or their authorized representative or intervenors, the date, time and place in which the adjudicative hearing will be held. The notice should be made by mail or personally with no less than fifteen (15) days prior to the date of the hearing, except that for just cause indicated in the notice, it be necessary to shorten said period and should contain the following information:

a. Date, time and place in which the hearing shall be held, as well as its nature and purpose.
b. Warning to the parties that they may attend assisted by counsel, but that they are not obliged to be so represented, including the cases of corporations and societies.

c. Citation of the legal provision or regulation which authorizes the holding of said hearing.

d. Reference to the legal or regulatory provision presumably violated, if more than one violation of same is alleged and to the facts which make up that violation.

e. Notice of the measures that the agency may take if a party does not appear at the hearing.

f. Warning that the hearing may not be continued.

F. REQUEST FOR INTERVENTION

1. Any person who has a legitimate interest in an adjudicative proceeding before an agency may submit a duly substantiated written request to be allowed to intervene or participate in said proceeding. The agency, in its discretion may grant or deny the request taking into consideration among other things the following factors:

a. That petitioner's interest may be adversely affected by the adjudicative procedure.

b. That no other remedy at law exists for the petitioner to adequately protect his interest.

c. That petitioner's interest is already adequately represented by the parties in the proceeding.

d. That petitioner's participation may reasonably assist in the preparation of a more complete record of the proceeding.

e. That petitioner's participation may excessively extend or delay the procedure.

f. That the petitioner represents or may be a spokeman for other community groups or entities.

g. That the petitioner may provide information, expertise, specialized knowledge or technical guidance that would not be otherwise available in the proceeding.

2. If the agency decides to deny a request for intervention in an adjudicative proceeding, it will notify in writing it's determination to the petitioner, the bases for same and the relief available for review.

G. PRE-TRIAL CONFERENCE

The official designated to preside the hearing may convene motu proprio or upon request of party a pre-trial conference and may order the parties to meet prior to same and file a report within five working days prior to the date of the hearing. The contents of the report, as modified or approved by the designated officer will govern the subsequent course of the proceedings, except that said official may authorize some modification for just cause and for the good of justice.

H. HEARING ON CHALLENGE

1. Every party who wants a suspension or continuance of the hearing must request it in writing no less than five (5) working days prior to the date set and same will be considered by the designated Administrative Law Judge

taking into consideration the circumstances presented and the public interest involved. Said request shall constitute a waiver of the right to have an adjudication within the period established.

2. The Administrative Law Judge designated to preside the hearing may hold hearings and receive and consider any other evidence he deems pertinent. The presentation of evidence and admission of evidence during the hearing will be governed by the rules that the Administrative Law Judge establishes, always offering all the parties the expanded time necessary for the complete discussion of all the facts and issues under discussion.

3. The hearing must be recorded or stenotyped.

4. The rules of procedures and evidence that are followed in the Courts of Justice are not applicable in the hearings and procedures that are carried out before the Administrative Law Judge. However, he in his discretion may guide himself or apply them in those specific cases in which its applications results in benefit to the public interest.

5. The Administrative Law Judge, as well as any of the parties affected by the writ, may use expert witness testimony, technical experts and professionals in the field being challenged to evidence and/or clarify any aspect and/or concept deemed necessary, convenient and relevant.

6. The Administrative Law Judge may grant the parties a period of fifteen (15) days after conclusion of same for the presentation of determination of facts and conclusions of

law. The parties may waive the determination of facts as well as agree on a shorter period for doing so.

I. DISMISSAL

1. The Administrative Law Judge may dismiss or summarily dispose of any complaint motu proprio or at the request of any party if he understands that same does not pose facts which justify the granting of a remedy, or if there being no real controversy of facts, as a question of law it's appropriate to proceed to issue a resolution in favor of a corresponding party.

J. DECISION OF THE ADMINISTRATIVE LAW JUDGE

1. The Administrative Law Judge shall issue his decision in writing within a period of the thirty (30) calendar days from the date of the last hearing held. He will keep in his files the original of his decision and send a copy to the Executive Director, the Director of the Purchasing and Supplies Office and to each one of the parties involved.

2. In his decision the Administrative Law Judge shall state the conclusions on which he bases same, the conformity with applicable laws and Regulations. The decisions of said Administrative Law Judge will be final thirty (30) calendar days from the notice date unless a reconsideration is filed within said period before the Board itself.

3. The request for reconsideration will be jurisdictional in order to request judicial review.

4. The decision of the Administrative Law Judge concerning the request for reconsideration will be final, and is not subject to reconsideration anew.

XV. JUDICIAL REVIEW

A. A party adversely affected by an order or resolution of the Administrative Law Judge and who has exhausted all remedies provied by this regulation may present a request for review before the Superior Court within a period of thirty (30) days from date copy of the resolution or order is made and noticed in file. The party shall notify the presentation of any writ of review of the agency and to all parties within the term to request review. The notice may be made by mail.

XVI. AMENDMENT

This regulation may be amended by the Board of Directors of the Public Buildings Authority, by the vote of the majority of its members.

XVII. EFFECTIVENESS AND REPEAL

A. This regulation shall form part of the Administrative Manual of the Authority and will begin to govern immediately after its approval by the Board of Directors of the Public Buildings Authority. Same amends the Procedure for the Acquisition of Equipment, Materials and Services approved by the Board of Directors on October 20, 1978 and any other existing provision

concerning this subject which may be contrary to it and irreconciliable with what is established here.

XVIII. APPROVAL

A. This regulation was approved by the Board of Directors of the Public Buildings Authority at a meeting held on August 10, 1989.

(Signed)
Arq. Luis Rafael Arias
Executive Director

(Signed)
Mr. Franklin Martinez Monge
President

(Signed)
Sergio Marxuach Pérez, Esq.
Secretary