

LAW OF THE GENERAL SERVICES ADMINISTRATION FOR THE CENTRALIZATION OF THE PURCHASES OF THE GOVERNMENT OF PUERTO RICO OF 2019

OFFICE OF
MANAGEMENT
AND BUDGET



Act No. 73-2019

Brief introduction of the act.

Act-73 establishes the Government's public policy for the centralization of its processes to purchase goods, works and services, in order to achieve fiscal responsibility. This law substantially modified the organization, structure and operation of the Puerto Rico General Services Administration ("ASG", for its Spanish acronym).



How is the act relevant for Governmental entities in Puerto Rico receiving federal funding?

Pursuant to 2 C.F.R § 200.317, when procuring property and services under a Federal Award, a State and/or Territory must follow the same policies and procedures it uses for procurements from its non-Federal Funds (including those levied by Act-73).

WHEN is the act applicable?

The provisions of Act-73 regulate the procedures of purchases and bids of goods, works and nonprofessional services, regardless of the source of funds for the purchase (state or federal).

In circumstances where federal law or regulation (including guides, procedures, or agreements involving the federal government or its entities) mandates a different procedure than the one established here, **the federally required procedure shall take precedence.**

HOW is the act implemented?

In general, Act-73 is implemented through the **Uniform Regulation for Purchases and Bids of Goods**, Works and Nonprofessional Services of the General Services Administration, Regulation Number 9230 issued on November 18, 2020.

Violating Act-73 provisions is considered a misdemeanor. If convicted, the penalty will include a fine ranging from one thousand dollars (\$1,000) to five thousand dollars (\$5,000) and exclusion from the Sole Registry of Bidders, along with any additional fines imposed by other regulations.



WHO is the act applicable to?

Generally, the provisions of Act-73 regulate the purchasing and auctioning processes for goods, works, and non-professional services for all Government Entities, as defined within the act, requiring them to conduct these processes through ASG. The Judicial Branch, the Legislative Assembly, the University of Puerto Rico, and the Municipalities may, voluntarily, adopt the purchasing and auction procedures established by the act.

Until the Fiscal Plans levied under Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) are in force, the Exempt Entities listed hereunder are not required to follow said procedures through ASG, but they must adopt similar procedures:

- Office of Government Ethics
- Office of the Puerto Rico Inspector General
- State Elections Commission
- Puerto Rico Fiscal Agency and Financial Advisory Authority
- Government Development Bank
- Puerto Rico Private Partnership Authority
- Puerto Rico Infrastructure Financing Authority
- Puerto Rico Sewer and Aqueduct Authority
- Puerto Rico Power Authority
- Puerto Rico Highway and Transportation Authority
- Corporation for the Caño Martín Peña Enlace Project
- Public Corporation for Supervision and Insurance of Cooperatives of Puerto Rico
- Programs and installations of:
 - Puerto Rico Medical Services Administration, Medical Center, Cardiovascular Hospital, Adult University Hospital, Pediatric University Hospital, University Hospital Dr. Ramón Ruiz Arnau, Center of Diagnostic and Treatment, intellectual disability Programs of the Department of Health, Industrial Hospital
- State Insurance Fund
- Metropolitan Buses Authority
- Public Building Authority

