

**REGULATIONS FOR THE ACQUISITION OF GOODS, WORKS, AND NON-
PROFESSIONAL SERVICES OF THE OFFICE OF THE INSPECTOR GENERAL OF
PUERTO RICO**

REGULATION NO. 6

Table of Contents

PART 1 – INTRODUCTION 6

ARTICLE 1.1 - TITLE 6

ARTICLE 1.2 - PURPOSE..... 6

ARTICLE 1.3 - LEGAL BASIS 6

ARTICLE 1.4 - SCOPE..... 6

ARTICLE 1.5 - DEFINITIONS..... 7

PART 2 – BODIES AND FUNCTIONS RELEVANT TO THE PROCUREMENT PROCESSES OF GOODS, CONSTRUCTION WORKS AND NON-PROFESSIONAL SERVICES.....16

ARTICLE 2.1 - CREATION AND RESPONSIBILITIES OF THE OIG BID BOARD 16

 SECTION 2.1.1 - COMPOSITION OF THE OIG BID BOARD.....17

 SECTION 2.1.2 - RESPONSIBILITIES, POWERS, DUTIES AND POWERS OF THE BID BOARD..... 18

 SECTION 2.1.3 - RESPONSIBILITIES OF THE CHAIRPERSON OF THE OIG BID BOARD.....20

 SECTION 2.1.4 - RESPONSIBILITIES OF THE SECRETARY OF THE OIG BID BOARD.....20

 SECTION 2.1.5 - TERM TO SERVE AS A MEMBER OF THE OIG BID BOARD.....21

 SECTION 2.1.6 - SEAL OF THE OIG BID BOARD.....21

 SECTION 2.1.7 - CONSTITUTION OF QUORUM21

 SECTION 2.1.8 - DECISION ON AWARD22

ARTICLE 2.2 - THE PROCUREMENT AGENT22

 SECTION 2.2.1 - RESPONSIBILITIES OF THE PROCUREMENT AGENT.....22

ARTICLE 2.3 – PETITIONING UNITS25

 SECTION 2.3.1 - GENERAL RESPONSIBILITIES OF THE PETITIONING UNITS .25

 SECTION 2.3.2 – REQUISITION PROCEDURE27

PART 3 – SPECIAL CONSIDERATIONS AND MANDATORY REQUIREMENTS TO BE INCLUDED IN PROCUREMENT PROCEDURES.....27

ARTICLE 3.1 – PLANNED PURCHASES.....27

 SECTION 3.1.1 – ANNUAL PURCHASING PLAN.....27

 SECTION 3.1.2 – BOOKING PURCHASES FOR PREFERRED GROUPS.....27

ARTICLE 3.2 - REQUEST OR REQUISITION FOR THE ACQUISITION OF GOODS, WORKS OR SERVICES.....27

 SECTION 3.2.1 - CONTENT OF THE REQUEST OR REQUISITION FOR THE ACQUISITION OF GOODS, WORKS OR SERVICES.....28

SECTION 3.2.2 - PRELIMINARY EVALUATION OF THE REQUEST OR REQUISITION FOR THE ACQUISITION OF NON-PROFESSIONAL GOODS, WORKS OR SERVICES.....	29
ARTICLE 3.3 - BID DOCUMENTS OR REQUEST FOR PROPOSALS; GENERAL CONDITIONS.....	29
SECTION 3.3.1 - BID PACKAGE, DEFINITION.....	29
SECTION 3.3.2 - PREPARATION OF THE SPECIFICATIONS.....	30
SECTION 3.3.3 - MANDATORY GENERAL TERMS AND CONDITIONS TO BE INCLUDED IN THE PROCUREMENT SPECIFICATIONS, BIDS OR REQUEST FOR PROPOSALS, DEPENDING ON THE SUBJECT MATTER.....	30
ARTICLE 3.4 - BONDS	38
SECTION 3.4.1 - BONDS, WHEN TO APPLY	38
SECTION 3.4.2 - WAYS TO FILE.....	38
SECTION 3.4.3 - TYPES OF BONDS.....	39
SECTION 3.4.4 - ENFORCEMENT OF DEFAULT BONDS.....	40
ARTICLE 3.5 - REQUEST FOR INFORMATION (RFI).....	41
SECTION 3.5.1 - DEFINITION.....	41
SECTION 3.5.2 - PURPOSE	41
SECTION 3.5.3 - PROCEDURE	42
ARTICLE 3.6 – NON-COMPLIANCE.....	42
SECTION 3.6.1 - PENALTIES FOR LATE DELIVERY OF GOODS, WORKS OR IN THE RENDERING OF NON-PROFESSIONAL SERVICES.....	42
SECTION 3.6.2 - PENALTIES FOR NON-COMPLIANCE	43
SECTION 3.6.3 - BREACH DUE TO FORCE MAJEURE	44
PART 4 - METHODS FOR ACQUIRING GOODS, CONSTRUCTION WORKS, AND NON-PROFESSIONAL SERVICES	44
ARTICLE 4.1 - INFORMAL PURCHASES.....	45
SECTION 4.1.1 - PROCEDURE FOR PROCESSING INFORMAL PURCHASES ...	45
SECTION 4.1.2 – CHANGE ORDER FOR AN INFORMAL PURCHASE.....	47
ARTICLE 4.2 - FORMAL BID	48
SECTION 4.2.1 - FORMAL BID NOTICE OR INVITATION.....	48
SECTION 4.2.2 - FORMAL BID NOTICE REQUIREMENTS	49
SECTION 4.2.3 - CONTENT OF THE FORMAL BID PACKAGE	50
SECTION 4.2.4 - AMENDMENTS TO THE FORMAL BID DOCUMENTS	52
SECTION 4.2.5 - CANCELLATION OF THE FORMAL BID DOCUMENTS	53
SECTION 4.2.6 - PRE-BID MEETINGS.....	54
SECTION 4.2.7 - SUBMISSION OF BIDS FOR THE FORMAL BID	55

SECTION 4.2.8 - RECORD OF OFFERS RECEIVED	58
SECTION 4.2.9 - TYPES OF OFFERS.....	58
SECTION 4.2.10 - CORRECTIONS TO OFFERS	60
SECTION 4.2.11 - AMENDMENTS TO OFFERS	60
SECTION 4.2.12 - WITHDRAWAL OF OFFER FROM THE FORMAL BID.....	60
SECTION 4.2.13 - FORMAL BID OPENING CEREMONY	60
SECTION 4.2.14 - SUMMARY OF OFFERS	63
SECTION 4.2.15 - AWARD RULES.....	64
SECTION 4.2.16 - AWARD OF THE FORMAL BID	70
SECTION 4.2.17 - NOTIFICATION OF AWARD.....	70
SECTION 4.2.18 - ADMINISTRATIVE OR JUDICIAL REVIEW OF FORMAL BID...70	
SECTION 4.2.19 - CONTENTS OF THE FORMAL BID FILE	71
SECTION 4.2.20 - FINAL OBLIGATION.....	72
SECTION 4.3.1 - WHEN TO USE THE REQUEST FOR PROPOSALS	73
SECTION 4.3.2 - INVITATION FOR REQUESTS FOR PROPOSALS.....	73
SECTION 4.3.3 - BASIC REQUIREMENTS FOR THE INVITATION TO REQUEST PROPOSALS	74
SECTION 4.3.4 - CONTENT OF THE REQUEST FOR PROPOSALS PACKAGE ..76	
SECTION 4.3.5 - AMENDMENTS TO THE REQUEST FOR PROPOSALS	78
SECTION 4.3.6 - PRE-PROPOSED MEETINGS.....	79
SECTION 4.3.7 - REQUEST FOR CLARIFICATION	79
SECTION 4.3.8 - SUBMISSION OF PROPOSALS.....	80
SECTION 4.3.9 - MODIFICATIONS AND WITHDRAWAL OF THE SUBMITTED PROPOSAL.....	81
SECTION 4.3.10 - REGISTRATION OF PROPOSALS RECEIVED	81
SECTION 4.3.11 - OPENING OF PROPOSALS.....	81
SECTION 4.3.12 - PRELIMINARY EVALUATION OF PROPOSALS.....	82
SECTION 4.3.13 - SINGLE-PROPOSAL SELECTION PROCESS.....	83
SECTION 4.3.14 - MEETINGS WITH PROPOSERS WHOSE PROPOSALS MEET THE ESTABLISHED SPECIFICATIONS	83
SECTION 4.3.15 - CANCELLATION OF THE REQUEST FOR PROPOSALS	84
SECTION 4.3.16 - AWARD	85
SECTION 4.3.17 - NOTIFICATION OF AWARD.....	85
SECTION 4.3.18 - ADMINISTRATIVE OR JUDICIAL REVIEW	86
SECTION 4.3.19 – NOTICE OF ADMINISTRATIVE REVIEW FILING.....	86
ARTICLE 4.4 - APPLICATION FOR QUALIFICATIONS (RFQ)	86

SECTION 4.4.1 – REQUEST FOR QUALIFICATIONS NOTICE.....	87
SECTION 4.4.2 - CONTENT OF THE INVITATION TO APPLY FOR QUALIFICATIONS OR NOTICE OF QUALIFICATIONS.....	87
SECTION 4.4.3 - CONTENT OF THE STATEMENT OF QUALIFICATIONS.....	88
SECTION 4.4.4 - PREQUALIFICATION OF BIDDERS.....	88
SECTION 4.4.5 - INTERVIEWS WITH POTENTIAL PROPONENTS	89
SECTION 4.4.6- NOTIFICATION OF DETERMINATION OF QUALIFICATIONS DETERMINATION.....	89
SECTION 4.4.7 - SUBMISSION OF THE SPECIFICATIONS AND SUBMISSION OF PROPOSALS	89
ARTICLE 4.5 - EXCEPTIONAL PURCHASES	89
SECTION 4.5.1 - EVALUATION OF EXCEPTIONAL PURCHASES.....	89
SECTION 4.5.2 - WHEN EXCEPTIONAL PURCHASES ARE AUTHORISED.....	90
SECTION 4.5.3 – EXCEPTIONAL PURCHASING MECHANISMS.....	93
ARTICLE 4.6 - OTHER ALTERNATIVE METHODS FOR THE ACQUISITION OF GOODS AND SERVICES.....	93
ARTICLE 4.7 - CONSTRUCTION PROJECTS.....	95
PART 5 - ADMINISTRATIVE REVIEW, AND JUDICIAL REVIEW.....	96
ARTICLE 5.1 - ADMINISTRATIVE REVIEW.....	96
ARTICLE 5.2 - JUDICIAL REVIEW	96
PART 6 - THE CONTRACT, THE PURCHASE ORDER AND ITS ADMINISTRATION 96	
ARTICLE 6.1 - THE GOVERNMENT CONTRACT	96
SECTION 6.1.1 - THE FORM REQUIREMENT IN THE GOVERNMENT CONTRACT.	96
SECTION 6.1.2 - CONCLUSION OF THE CONTRACT.....	97
ARTICLE 6.2 - PURCHASE ORDER.....	98
PART 7 - FINAL PROVISIONS.....	99
ARTICLE 7.1 - INTERPRETATION	99
ARTICLE 7.2 - REPEAL	99
ARTICLE 7.3 – SEPARABILITY CLAUSE.....	99
ARTICLE 7.4 - VALIDITY	99

PART 1 – INTRODUCTION

ARTICLE 1.1 - TITLE

This regulation will be known as the *Regulations for the Acquisition of Goods, Works, and Non-Professional Services of the Office of the Inspector General of Puerto Rico*.

ARTICLE 1.2- PURPOSE

The Puerto Rico Office of Inspector General (hereinafter referred to as "OIG") was created by Act No. 15-2017, as amended, known as the *Puerto Rico Inspector General Act*, and has the important responsibility of discouraging practices of fraud, waste, and abuse of public funds or property. Article 4 of Act No. 15-2017, *supra*, indicates that the OIG shall have administrative, budgetary, operational, and fiscal autonomy, without external intervention.

In accordance with the foregoing, these Regulations are adopted to enable the means by which the OIG must acquire those goods (real property and movable), as well as works and non-professional services, necessary and useful for its operation. These Regulations reiterate the administrative, budgetary, operational, and fiscal autonomy of the OIG, conferred by Act No. 15-2017, *supra*.

ARTICLE 1.3 - LEGAL BASIS

These Regulations are adopted by virtue of the authority conferred on the OIG in Articles 7 (n), (o), (y), 8 (a), (e), (h), (n); and 14 of Act No. 15-2017, *supra*, as well as the provisions of Act No. 38-2017, as amended, known as the *Uniform Administrative Procedure Act of the Government of Puerto Rico*.

ARTICLE 1.4- SCOPE

The rules adopted by these Regulations apply to all processes of acquisition of goods and works, as well as non-professional services, carried out at the OIG. Nothing herein shall prevent the OIG from voluntarily conducting purchases and bids of goods, works, and non-

professional services, through the General Services Administration (ASG for its Spanish acronym), when it deems it necessary.

ARTICLE 1.5 – DEFINITIONS

1. **Amendment** - Any document published prior to an award, containing, but not limited to further explanations, changes or modifications to the published bids or request for proposals or to the specifications thereof, which have been previously approved by the Associate Inspector of Administration, an authorized representative, or the Administrative Supervisor.
2. **Assistant Procurement Agent** - An employee authorized by the Inspector General, or his authorized representative, who replaces the Procurement Agent when unable to perform assigned duties. It can also be referred to as an alternate buyer.
3. **Award** - The act of evaluating quotations, offers, or proposals, received in response to a bid procedure or a request for proposals to select the responsible bidder, who submits a responsive bid, offer, or proposal, which best meets the established criteria, specifications, conditions and terms, whose price or value is reasonable.
4. **Award Challenge** - A request by a bidder or proposer for reconsideration of a determination by the Associate Inspector of Administration or the Administrative Supervisor, or their authorized representative, as the case may be, that is averse to them. This term also includes any request for administrative review of a determination of the OIG Bid Board before the ASG Review Board, as well as any request for judicial review.
5. **Best Value** – Methodology for evaluating the proposal that represents the greatest benefit to the OIG; proposal of the bidder or proposer that best meets the requirements established in the request for proposals (RFP) and in which it is established that the

proposer offers the best good or service, or that it has the capacity to perform the work efficiently, when considering all the criteria, such as: inspection, tests, quality, delivery, suitability for a particular purpose, guarantees of the good or service and the terms under which such guarantees would be provided, life cycle of the good to be acquired, discounts, economic impact in terms of job creation and fiscal impact on the OIG. Also, the following elements will be considered as part of the best value: the conditions and limitations of the warranties of parts and services of the product or service offered, as well as the time and place in which such guarantees are honored and executed and the tax impact on the OIG of the product or service. The criteria that will affect the price of the proposal and that will be considered in the evaluation for the award will be objectively measurable, such as discounts, transportation costs both in its original delivery and to execute its guarantees, and the cost of disposal of the equipment, once its useful life or use ends, among other criteria. The best value will not necessarily be the proposal that presents the lowest cost or price. The OIG shall determine in the instructions the evaluation methodology to be used for the competitive process it deems appropriate.

6. **Bid Bond** - This means the provisional support that the selected bidder or proposer has to present in order to ensure that it will sustain its bid throughout the contracting procedure. It must be provided in accordance with the provisions of these Regulations or the provisions of the bid instructions or request for proposals, depending on the acquisition process.
7. **Bid Opening** - Act in which the envelopes or emails containing the bids or proposals of the bidders or bidders in a bid are opened.
8. **Bid or Proposal** – Bids or proposals submitted by bidders or proposers in response to a notice of bid or request for proposals. It is also the offer submitted by a potential supplier or service provider in response to the request for a quotation issued by the

buyer as part of an informal purchase process.

9. **Bid Review Board or Review Board** – Review Board of the General Services Administration of the Government of Puerto Rico, as recognized by Act No. 38-2017, *supra*.
10. **Bid Specifications** - Document that is delivered, by sale or free of charge, to bidders or proponents interested in submitting bids or proposals under a bid procedure, request for proposal, as well as requests for qualifications.
11. **Bidder** – Natural or legal person, available and interested in contracting and appearing through the submission of quotations, offers, proposals or qualifications.
12. **Certificate of Eligibility or Unique Certification** - Certification issued by the ASG, accrediting compliance by a potential supplier or supplier, bidder, or proponent with the requirements stated by regulation to enter the Single Registry of Bidders (RUL, for its Spanish acronym) or Unified Registry of Professional Services Providers (RUP, for its Spanish acronym).
13. **Conflict of Interest** - Any situation that arises or may arise as a result of a transaction or event in which a person, whether or not an employee (including contractors) or an official of the Government of Puerto Rico, obtains or may obtain, directly or indirectly, any benefit, utility, advantage, profit or gain by reason of his or her improper performance or exercise of his or her influence or position.
14. **Contract** - Written pact or agreement between the OIG and a contractor awarded a bid or proposal procedure, where the terms and conditions under which the offer or proposal for the goods, works, and/or services will be stated.
15. **Contractor** - A vendor, supplier, bidder, or proposer, as applicable, to whom a purchase or service order is awarded, through a contract with the OIG. In addition, contractors will be considered professionals who maintain a service contract with the

Government of Puerto Rico to provide advice or assistance of any kind in procurement or bidding processes of goods, work and services carried out by the OIG.

16. **Cost Estimate** – Approximation of the cost (price or value) of the proposed or planned expenditure, so that a fair evaluation can be made in the selection of offers or proposals. It can include similar terms such as independent cost study, cost analysis, etc.
17. **Days** - Means calendar days, unless otherwise provided in these regulations.
18. **Deserted Bid** - When no offers or proposals are received after the bid or request for proposal has been announced.
19. **Disqualification** - Act by which the Associate Inspector of Administration or the Administrative Supervisor, its authorized representative, or the OIG Bid Board excludes a potential supplier, bidder, or proposer from the informal purchase, bid, or proposal process, for failing to comply with any and all conditions, terms, or specifications required in the corresponding instructions. Elimination of a potential supplier, bidder, or proposer in any procurement process for engaging in any practice prohibited by law or regulation, including, but not limited to: any prohibition contained in Act No. 2-2018, as amended, known as the *Anti-Corruption Code for A New Puerto Rico*; when false or fraudulent information or documents containing false or fraudulent information have been provided to the OIG or to any entity of the Government of Puerto Rico; when the provisions of any administrative rule adopted by the Inspector General have been violated, among others.
20. **Emergency by Executive Order** – Those situations that require immediate action as decreed by executive order, which will be conducted strictly in accordance with the corresponding procedure.
21. **Evaluation Criteria** - Criteria listed in the bid documents or request for proposals,

- which are used by the Buyer or the OIG Bid Board to evaluate, classify, and recommend bids or proposals for award. It also includes the criteria listed in a qualifications application to be evaluated to recommend the qualification of a potential proposer.
22. **Exceptional Purchase** - Any purchase that is exempt from being processed through the formal or informal acquisition procedure, be it bidding, request for proposals or request for qualifications.
 23. **Gross negligence** – Lack of care; failure to observe established rules.
 24. **Inspector General** - The person appointed by the Governor, with the advice and consent of the Senate and House of Representatives, who is in charge of the direction of the OIG and oversees the administration and management of the OIG, as provided in Act No. 15-2017, *supra*, and the regulations approved under it. The Inspector General, in turn, is empowered to appoint officials or personnel on his or her behalf.
 25. **Invitation to Bid** - A document sent to potential bidders or proposers that will contain notice of the holding of a bid or request for proposal, including instructions on how to obtain the specifications related to these, or instructions on how to submit an offer or proposal.
 26. **Items** - A list of specifications identified as part of a formal bid or request for proposals, in which the same or similar goods or non-professional services are required.
 27. **Lowest Reasonable Price** – Cost or value quoted or offered by a bidder that turns out to be the lowest amount of all those received, which is within a reasonable range compared to a cost estimate, cost analysis, market study or request for information (RFI).
 28. **Moral depravity** - It consists of acting contrary to law, honesty, good principles, or morals.

29. **Negotiation** – Process by which two or more parties seek to reach an agreement, each defending its interests.
30. **Non-professional services** - Those services that are not offered by a natural or legal person with specialized knowledge or skills who is required to have a university degree or license that accredits him or her as a specialized professional.
31. **Office** – Refers to the Office of the Inspector General of Puerto Rico. Also, identified as OIG.
32. **OIG Bid Board or Bid Board**- An administrative body in the OIG responsible for the study, evaluation, and adjudication of formal bids, proposals, or statements of qualifications, whose functions are governed by these Regulations or by any applicable regulations approved by the Inspector General.
33. **Payment Bond** - This bond guarantees payment to people who have provided labor services or who have supplied materials to the contractor who performs a public work, that they will receive the sums that said contractor owes them, unpaid, for labor provided or materials supplied in fulfillment of the work object of the contract. It must be provided in accordance with the provisions of these Regulations or the provisions of the bid instructions or request for proposals, depending on the procurement process.
34. **Performance Bond** - Monetary guarantee required from a bidder or proposer to ensure compliance with an obligation. It must be provided in accordance with the provisions of these Regulations or the provisions of the bid instructions, request for proposals, depending on the procurement process.
35. **Petitioning Unit** – An area, office, division, or any other administrative or programmatic group of the OIG that identifies a need for a good or service that the OIG does not have or cannot use its internal resources.

36. **Plan** - Graphic representation of a design that, together with the specifications, allows the construction of a project.
37. **Pre-Bid Meeting or Pre-Proposal Meeting** - Meeting prior to the opening of the bid or proposal, which is held with the interested suppliers, whose purpose is to clarify terms, conditions, and specifications of the goods, works or non-professional services to be acquired or carried out.
38. **Procurement Agent or Buyer** – An employee authorized by the Inspector General, or his authorized representative, to acquire goods, works, and non-professional services.
39. **Property** - Includes movable, supplementary, substitute, consumable, or anything that is capable of moving by itself or by other force, and that may or may not be fungible, such as, but not limited to, the following: food, office supplies and office equipment; construction materials and equipment; means of transportation; materials; equipment, machinery and materials related to the processing of information by electronic means, the parts, accessories and materials necessary for its maintenance and repair, as well as all those elements necessary for the operation of the OIG.
40. **Public Exigency or Urgency** - Situation that creates unexpected and unforeseen needs for goods, works, and non-professional services, that require the immediate action of the Inspector General and/or the Government of Puerto Rico due to the endangerment to life, health, or public safety, or when the public service is suspended or adversely affected, including the property of the Government of Puerto Rico, and those programs of the Government of Puerto Rico that are funded by federal or state funds.
41. **Purchase** - Total amount of related needs grouped together, whether goods,

works, or non-professional services, which must be acquired in the same transaction or time, because they have the same purpose, common suppliers, or that it is convenient for the public interest. The term "purchase" shall be used interchangeably by the term "acquisition".

42. **Purchase or Service Order** - Official document issued to a supplier to purchase goods, works, or non-professional services.
43. **Qualifications Determination** - Expresses the determination of the OIG Bid Board as to which potential bidders were qualified and which were not, as a result of a Request for Qualifications.
44. **Qualifications Statement** - A document in response to a request for qualifications in which the potential proposer declares the ability to offer certain goods, works, or perform certain services.
45. **Quotation** - A written offer of prices and conditions of a good, work, or non-professional service, with the potential vendor responding to a request from the OIG Buyer. Such requests can be made by telephone, email or any other available means of communication; however, the selected vendor, if they have quoted via telephone, must submit their offer in writing.
46. **Quote Sheet** - Document by which, in an informal purchasing process, a buyer requests a supplier to quote or submit a price offer for the goods, public works or services specifications described therein.
47. **Request for Proposals (RFP)** – Acquisition method to be used by the OIG to procure goods, works and non-professional services that allows negotiation between the bidder and the IGO, while evaluating the proposals received in a sealed envelope or by email. The Request for Proposals allows for negotiated procurement and gives bidders the opportunity to review and modify their bids or proposals, prior to the award

of the RFP.

48. **Request for Qualifications (RFQ)** - An announcement posted on the OIG website requesting that interested people or entities submit their statement of qualifications to offer certain goods or services.
49. **Requisition** - A document issued prior to a purchase order or contract, by an OIG Petitioning Unit containing information about the good, work or service requested, such as quantity and description.
50. **Responsible Bidder** - Bidder that enjoys moral and financial solvency to do business with the OIG. Moral solvency is based on the fact that the bidder enjoys a good reputation and has not been convicted of fraud, waste, or abuse of public funds. Financial or economic solvency refers to the ability of the bidder to deliver the required goods, works, or services and receive payment within the ordinary period of doing business with the Government.
51. **Responsive Bidding** – It is one that complies with everything required in the instructions, namely, form requirements, mandatory requirements, specifications, terms, and conditions including delivery time, certifications, bonds, guarantees and any other requirements imposed by the OIG.
52. **Single Registry of Bidders (RUL)** - This registry includes the natural or legal persons qualified by the ASG to contract with the Government of Puerto Rico by having complied with the requirements established for such purposes. The OIG may accept the RUL certificates issued by the ASG to potential suppliers. However, because the OIG is an entity excluded from Act No. 73-2019, as amended, and the RUL, by virtue of Act No. 15-2017, supra, if necessary, it may make use of other potential suppliers, safeguarding appropriate internal controls.
53. **Sole source of supply** - The existence of one (1) single supplier or the existence of

one (1) single supplier participating in any procurement process.

54. **Specifications** - Set of primary characteristics of goods, works, or non-professional services, used as a reference for each line of quotation, bid or proposal, including physical, functional, aesthetic or quality characteristics required, with which the goods, works and non-professional services are described.
55. **Successful Bidder** - Bidder who has been awarded a bid or proposal.
56. **Supplier** - A natural or legal person who provides materials, goods, or services to OIG.
57. **Support Division** - Those areas within the OIG that provide services to operational areas. These will be the Administration Area and the Human Resources Office.
58. **Technical Committee or Evaluation Committee** – Advisory group appointed by the appointing authority, to provide some degree of expertise of a technical or specialized nature when an acquisition is being made.
59. **Unified Bid Registry** (RUS for its Spanish acronym) - Electronic page of the Government of Puerto Rico where documents related to the processes of publication, celebration, and adjudication of bids are located by virtue of law. The OIG may voluntarily make use of this registry.
60. **Work** – Any work of construction, reconstruction, alteration, extension, improvement, repair, conservation, or maintenance of any structure; public works; construction work project.

PART 2 – BODIES AND FUNCTIONS RELEVANT TO THE PROCUREMENT PROCESSES OF GOODS, CONSTRUCTION WORKS AND NON-PROFESSIONAL SERVICES.

ARTICLE 2.1 – CREATION AND RESPONSIBILITIES OF THE OIG BID BOARD

OIG's Bid Board (hereinafter referred to as the "OIG Bid Board" or "Board") is hereby established; its members, including chairperson and secretary, are appointed by the Inspector General, or an authorized representative. The OIG Bid Board is responsible for

reviewing, evaluating, and awarding formal bids and requests for proposals, as well as scoring requests for qualifications. Members of the OIG Bid Board shall not receive any additional remuneration for this function. Nor shall they be held financially liable for any action taken in the performance of their duties and functions, except when it was intentionally unlawful or grossly abused of the authority or discretion conferred on them by these Regulations.

SECTION 2.1.1 - COMPOSITION OF THE OIG BID BOARD

The OIG Bid Board shall consist of three (3) standing members and two (2) advisory members of the various divisions of the OIG. The posts shall be appointed by the Inspector General, or an authorized representative. The composition is distributed as follows: of the standing members, at least one (1) will come from any of the OIG's support divisions. The advisory members, one (1) will come from the support divisions and the other from the areas of Pre-Intervention and Exams, Complaints and Research, Education, Advice and Prevention or Legal Affairs. In the case of the position of secretary, it must be filled by a person with a law background. The Inspector General or an authorized representative may delegate two alternate members who may be from any division of the OIG, who may replace two advisory members in or standing members in case of absence, resignation, or unforeseen situation. Alternate members will be drawn from one (1) from the support divisions and one (1) from the Pre-Intervention and Testing, Grievance and Investigation Areas, or Education, Counseling and Prevention.

In the absence of a member of the OIG Bid Board, the Chair of the Board shall appoint an alternate replacement member. If the absence is of the Chair of the Board and the absence is for an extended period of time, the Inspector General, or an authorized representative, shall appoint as Chairperson on an interim basis a member of the OIG Bid Board other than the Secretary. "Absence" means that a member of the OIG Bid Board is unable to attend one or more Board meetings at which a quorum is required to evaluate the bids,

discuss the specifications or conditions of a bid, or make a final decision, due to illness, regular vacation, extended absence due to official travel or special work assignment made by the Inspector General, or the person authorized by the Inspector General.

SECTION 2.1.2 - RESPONSIBILITIES, POWERS, DUTIES AND POWERS OF THE OIG BID BOARD

The OIG Bid Board shall have the authority to evaluate and adjudicate, in accordance with the uniform procedure established in these Regulations, formal bids, request for proposals, or requests for qualifications to be conducted by the OIG. In addition, the OIG Bid Board has the following responsibilities, duties, and powers:

- a. Adopt the rules and procedures of its internal functioning, that is, convening meetings, discussing pending matters, work plans, convening hearings, among others.
- b. Discuss with the Procurement Agent assisting in the formal bid, request for proposal or request for qualifications in particular, the need for the goods, works, or non-professional services raised by the petitioning unit in its application and ensure that the specifications included in the invitation to be published meet and/or meet such needs, prior to the approval of the invitation. Seek technical, legal, or other advice from OIG officials or employees. In cases of bids with highly technical requirements, they may request, through collaborative agreements with other agencies with expertise, help to identify the exact requirements with which the purchase to be made must be met.
- c. To request, when it deems appropriate, the Inspector General, or whoever he delegates, the appointment of a Technical Committee to assist it in carrying out evaluations of bids or proposals submitted by bidders.
- d. Send invitations for formal bids, requests for proposals, and requests for qualifications through the Secretary of the Board.

- e. Evaluate and award any purchase or contract related to formal or proposed bids, as well as requests for qualifications, with an estimated cost that exceeds the amount of two hundred and fifty thousand dollars (\$250,000.00).
- f. Assess the ability of bidders to meet bid specifications.
- g. Evaluate the statement of qualifications submitted by potential proponents in accordance with the evaluation criteria and issue the corresponding declaration of qualifications in the RFQ processes.
- h. Evaluate and adjudicate the matters presented before it for consideration in a prompt and efficient manner, safeguarding the procedural and substantive rights of the parties.
- i. To issue notifications of the award of formal bids, proposals, and determination of qualifications, as well as any order, requirement or resolution that is legally appropriate in matters before its consideration, in accordance with the procedure discussed below.
- j. Maintain a complete record documenting the events that occurred in each case.
- k. Allow bidders to review the record of formal bids or proposals that have been awarded and provide a copy of it once the corresponding fee has been paid.
- l. Observe the faithful compliance of the various preference laws.
- m. Perform any other matter related to the procurement function that the Inspector General, or the person authorized by the Inspector General, deems appropriate for the Board to perform.
- n. No member of the OIG Bid Board may adjudicate matters in which they have any direct or indirect personal interest or is related to any of the requesting parties within the fourth degree of consanguinity or second degree of affinity. In the event of any conflict of interest, the affected OIG Bid Board member will have to recuse from the entire bid process.

- o. The OIG Bid Board shall not have the jurisdiction to deal with any aspect of informal purchases, or exceptional purchases.

SECTION 2.1.3 - RESPONSIBILITIES OF THE CHAIRPERSON OF THE OIG BID BOARD

The Chair of the OIG Bid Board has, among others, the following responsibilities, duties, and powers:

- a. To maintain the proper functioning of the Board.
- b. To direct the proceedings of the Board.
- c. Represent the Board.
- d. Convene and preside over meetings; may delegate the notice to the Secretary.
- e. Review and adopt the Board's recommendations.
- f. Request the Inspector General to provide administrative support to the OIG Bid Board in the exercise of its functions.
- g. Submit as many reports and recommendations as requested.
- h. Fulfill all the functions and duties inherent to their position.

SECTION 2.1.4 - RESPONSIBILITIES OF THE SECRETARY OF THE OIG BID BOARD

The Secretary of the OIG Bid Board has, among others, the following responsibilities, duties, and powers:

- a. Respond to the President.
- b. Safeguard all the information contained in the books, records, files, and documents of the Board.
- c. Keep records of all correspondence received or sent by the Board.
- d. Receive and open the Board's correspondence, distribute it, and guard it.
- e. Receive, guard, and ensure the proper processing of bid (or proposal) files.
- f. Summon members to Board meetings by delegation of the President.

- g. Notify all interested parties about the awards and agreements made by the Board.
- h. Certify the agreements and the awards when they are taken, and any other Board document.
- i. Attend Board meetings to take minutes and draw up minutes on agreements and awards.
- j. Write bid notices and request their publication.
- k. Issue the bid instructions.
- l. Receive bids in response to a bid notice.
- m. Be in charge of the opening ceremony of the bid.
- n. Keep a record of the proceedings held.
- o. Draw up the minutes, minutes, agreements, awards, and reports for the approval of the President of the Bid Board.

SECTION 2.1.5 - TERM TO SERVE AS A MEMBER OF THE OIG BID BOARD

Members of the OIG Bid Board shall perform their duties and hold office until otherwise directed by the Inspector General.

SECTION 2.1.6 - SEAL OF THE OIG BID BOARD

The OIG Bid Board shall adopt an official seal. There shall be a presumption of regularity when such a seal is present, and all decisions, communications, certifications, and other documents of the OIG Bid Board shall be recognized as official documents when marked with the official seal. The Secretary of the Board shall be the custodian of the seal.

SECTION 2.1.7 - CONSTITUTION OF QUORUM

Three (3) of the five (5) members of the Board shall constitute a quorum and the resolutions shall be passed by a majority of the members present.

SECTION 2.1.8 - DECISION ON AWARD

When the OIG Bid Board makes the appropriate award, it shall proceed to notify its final determination by means of a Resolution, which shall include findings of fact and conclusions of law. The Resolution on the Award will be duly notified by certified United States Postal Office (USPS) mail with acknowledgement of receipt or email to all interested parties, meaning the bidders participating in the process entitled to challenge the award determination.

The notification of the award must include:

- a. the names of the bidders who participated in the bid and a summary of their proposals.
- b. the factors or criteria that were considered to award the bid.
- c. the defects, if any, of the proposals of the losing bidders; and
- d. the availability and time frame for requesting administrative review and judicial review.

The OIG Bid Board shall file a copy of the Resolution and the record of the notification in the file.

ARTICLE 2.2 - THE PROCUREMENT AGENT

The OIG will have at least one Procurement Agent, who will make informal purchases and assist the Bid Board in the other procurement processes, when required. Procurement agents will be assigned to the Administration Area of the OIG.

SECTION 2.2.1 - RESPONSIBILITIES OF THE PROCUREMENT AGENT

The primary responsibilities of the OIG Procurement Agent are as follows:

- a. Keep track of purchase orders related to items, materials, equipment, or non-professional services received and pending receipt, of the works performed and of the payments made against such orders and services.
- b. Plan purchases annually, including those to be made through bids that are referred to the OIG Bid Board.
- c. Prepare monthly reports of purchases made.
- d. Develop the corresponding operational procedures and forms, among other internal documents, which are necessary for the proper planning of purchases.
- e. Maintain a file for each supplier, containing information on the experience that the OIG has gained in the purchase orders and contracts that have been previously awarded. This includes present and past performance (or non-performance) in relation to the delivery or proper functioning of items, materials, equipment received, or the quality of non-professional services received and works performed by contractors and suppliers of non-professional goods and services, including information on bidders who have failed to comply with the terms of any bid. This last piece of information will be shared with the OIG Bid Board.
- f. Review purchase requests to verify that they include the description or specifications of the goods or services; that are authorized by the director of the corresponding petitioning office, or his authorized representative; and that include any other information necessary to be able to continue with the purchasing process.
- g. To use, at its discretion, the RUL of the ASG, for the processing of the purchase of goods and services, when it determines it appropriate.
- h. Receive requisitions, assign them numbering, obtain the proper certification of funds and the corresponding approval signatures, through electronic means, if necessary.

- i. Request quotes from the different suppliers regarding the informal purchasing processes.
- j. Complete a physical and electronic file of quotes for each purchase, summarizing the quotes received and certified by the OIG Procurement Agent.
- k. Provide any supplier or contractor interested in submitting a written proposal with the certification form of compliance with the aforementioned Act No. 2-2018, as amended, and the applicable provisions of Act No. 15-2017, *supra*.
- l. Prepare the purchase order and send it to the selected supplier, after ensuring that it has received from it the certification of compliance with the aforementioned Act No. 2-2018, *supra*.
- m. Ensure that the total amount of the acquisition does not exceed the total amount of the certified funds.
- n. Establish and implement a merchandise delivery tracking system to ensure that negotiated delivery terms are met.
- o. Verify the specifications submitted by the Petitioning Unit for all informal purchases or those made through formal bid. However, when the preparation of these requires expertise that is not available from the OIG due to the nature of the purchase, the OIG shall inform the Associate Inspector of Administration or the Administrative Supervisor, or an authorized representative, so that they may discuss the matter with the Inspector General or the person delegated or authorized by the OIG, and appropriate action may be taken.
- p. Accept or reject any item or groups of items of any quotation or offer, or of several bids, as well as order quantities smaller than those established, if in the best interests of the Office, provided that the bids have not been conditioned by the bidders to a different acceptance. Also, group items when awarding the informal purchase when deemed convenient.

- q. Award informal purchases and proceed with the corresponding notifications.
- r. Verify if there is a contract in force with a supplier or supplier that provides the requested good or service, in which case it may be purchased from that supplier.
- s. Verify the accuracy of the requisition or form administratively provided to request the acquisition of goods, works or non-professional services (quantity, description of the product, etc.), in all its parts.

The Procurement Agent shall be responsible for receiving all purchase requests and determining the appropriate purchasing mechanism, through a cost analysis. If the purchase is over two hundred and fifty thousand dollars (\$250,000.00) or more, the Procurement Agent, through the Associate Inspector of Administration, or the Administrative Supervisor, or an authorized representative, shall make a referral to the OIG Bid Board for appropriate action. The petitioning offices and/or divisions cannot perform this task.

ARTICLE 2.3 – PETITIONING UNITS

Each administrative or programmatic area of the OIG shall have the obligation to identify the needs and solutions that need to be acquired outside the Office and shall make the due request to the Procurement Agent or the Bid Board, as the case may be, including a description of the function, form, utility, quantities, and any other terms and conditions that facilitate the procurement of such good and service. The OIG shall adopt in its internal procedures the time previously required to be able to fulfil the requisition or acquisition request.

SECTION 2.3.1 - GENERAL RESPONSIBILITIES OF THE PETITIONING UNITS

- a. Identify and justify the need and usefulness of the non-professional good, work or service.
- b. Propose generic or universal solutions to the identified needs.

- c. Verify, by means of certification, the availability of available funds before proceeding to initiate the procedures to request or require a purchase or service.
- d. Prepare the requisition or form administratively arranged to request the acquisition of goods, works or non-professional services. When the need for the good, work or service is identified, the Petitioning Unit shall complete the requisition or administratively provided form, which shall be signed by the supervisor or authorized person of the Petitioning Unit and the Administrative Supervisor or authorized person of the Administration Area.
- e. Provide all the documentation required with the administrative requisition to request the acquisition of goods, works or non-professional services.
- f. Verify that there is a purchase order and/or service or contract before receiving the goods or that the provision of services is carried out.
- g. Resolve any questions or discrepancies that arise regarding the specifications contained in a purchase or service order, or contract, and the product presented by the supplier at the time of delivery and acceptance.
- h. Annually, plan for the foreseeably necessary acquisitions for the next fiscal year of your area or subdivision.
- i. To preserve the property or work acquired; to take adequate advantage of the services provided.
- j. To administer the contractual clauses as they are established, to communicate in writing to the Associate Inspector of Administration or the Administrative Supervisor any need for change, non-compliance, or fault, to document the profit, performance, and performance of the good, work or non-professional service acquired.

SECTION 2.3.2 – REQUISITION PROCEDURE

The Associate Inspector of Administration or an authorized representative shall adopt an internal procedure for the requisition criteria, its flow and authorization. Such procedure shall be in accordance with the provisions of these Regulations and any other applicable rules.

PART 3 – SPECIAL CONSIDERATIONS AND MANDATORY REQUIREMENTS TO BE INCLUDED IN PROCUREMENT PROCEDURES.

ARTICLE 3.1 – PLANNED PURCHASES

SECTION 3.1.1 – ANNUAL PURCHASING PLAN

All OIG operating units shall submit to the Procurement Agent a list of projected requirements for each fiscal year before the budget request's due date.

SECTION 3.1.2 – BOOKING PURCHASES FOR PREFERRED GROUPS

Act No. 129-2005, as amended, known as the *Commonwealth of Puerto Rico Government Procurement Reserves Act*, and Regulation 7461, provide that agencies must identify which of their needs are suitable to be met by small and medium-sized enterprises (SMEs). The Procurement Agent of the OIG will determine in its Annual Purchasing Plan which acquisitions are viable to be satisfied by the preferred groups listed in Act No. 129-2005, *supra*, in accordance with the applicable regulatory provisions.

ARTICLE 3.2 - REQUEST OR REQUISITION FOR THE ACQUISITION OF GOODS, WORKS, OR SERVICES

The procurement procedure begins when the Petitioning Unit has the need to acquire a good, a work or a service to carry out its functions and prepares a request or requisition for the acquisition of goods, works or non-professional services. Upon receipt of any request from the requesting units, the OIG shall open a file and identify it with the corresponding number.

SECTION 3.2.1 - CONTENT OF THE REQUEST OR REQUISITION FOR THE ACQUISITION OF GOODS, WORKS, OR SERVICES

The request or requisition submitted must include:

- a. A detailed description of the goods works or services that facilitates the preparation of specifications and allows competition to be established between various suppliers and brands.
- b. Justification, if applicable.
- c. Recommended specifications.
- d. Conditions that are interested in complying with what is requested.
- e. The site and conditions of delivery required, or the manner in which the services will be required and provided.
- f. The purpose and specific use of the goods, works, or services requested.
- g. Certification from the requesting entity of the percentage and amount available in its budget for preference purchases.
- h. Certification of the availability of funds.
- i. When submitting the purchase or requisition request, the Procurement Agent will verify the availability of allocated funds, by means of certification issued by the Budget Officer.
- j. Insufficient funds: If insufficiency of funds for the requested purchase is certified, the initiated purchasing process will be halted, and the Procurement Agent will

electronically notify the Director of the Petitioning Unit of the completion of the process.

- k. If the Petitioning Unit identifies the need to establish a term contract on the good, work or non-professional service to be acquired, it must inform the proposed term of validity for said contract.
- l. Any other information that the OIG deems relevant.

SECTION 3.2.2 - PRELIMINARY EVALUATION OF THE REQUEST OR REQUISITION FOR THE ACQUISITION OF NON-PROFESSIONAL GOODS, WORKS, OR SERVICES

When the request or requisition for the acquisition of goods, works or services from a Petitioning Unit is received and evaluated by the Procurement Agent will determine the acquisition method, exceptional purchase, or other acquisition method provided for in these Regulations by which the purchase will be processed. In the event that the request originally submitted by the requesting entity is amended and such amendment alters the price of the acquisition, the corresponding bidding method will be conducted.

ARTICLE 3.3 - BID DOCUMENTS OR REQUEST FOR PROPOSALS; GENERAL CONDITIONS

SECTION 3.3.1 – BID PACKAGE, DEFINITION

The bid package is the document that will be delivered to bidders interested in quoting, offering, or proposing, in which everything necessary to facilitate their preparation of their bids will be expressed. The specifications will be composed of the Formal Bid Invitation (or Notice) or Request for Proposals, or the Request for Qualifications, the specifications of the goods, works, non-professional services requested, the terms and conditions, as well as any pertinent instructions on how to submit an offer or proposal, among others.

SECTION 3.3.2 - PREPARATION OF THE SPECIFICATIONS

Based on the request for purchase submitted by the requesting entity and the provisions of these Regulations, the OIG's Procurement Agent shall prepare the specifications for the informal purchase, formal bid, request for proposals, or request for qualifications.

SECTION 3.3.3 - MANDATORY GENERAL TERMS AND CONDITIONS TO BE INCLUDED IN THE PROCUREMENT SPECIFICATIONS, BIDS OR REQUEST FOR PROPOSALS, DEPENDING ON THE SUBJECT MATTER OF THE ACQUISITION

In addition to the Invitation to Bid or Request for Proposals, the specifications must include the following:

- a. Instructions - Instructions shall be the guides that will be offered to bidders for the purpose of how to submit and prepare their quotations, offers or proposals. The OIG's Procurement Agent shall adopt and publish them, indicating which ones will apply for each proceeding. These will be based on the regulatory provisions established in the rules governing acquisition. They will be of the following classes:
 - i. General Instructions - The General Instructions shall contain provisions on the manner of preparing and delivering quotations, offers, or proposals, and the requirements to be met by bidders, among others, in accordance with the provisions of these Regulations.
 - ii. Special Instructions - Special instructions are instructions that OIG needs be included in the acquisition process to facilitate the evaluation and award. This is appropriate for matters of high technical complexity that merit a greater level of detail to ensure compliance with the desired solution.
- b. Specifications - The specifications of a purchase, bid or request for proposals are the set of physical, functional, aesthetic and qualitative characteristics of each of the

goods, work or services that are requested, that will be contained in the descriptive part of what is requested in the instructions and clearly identified as such.

The model specifications shall be used in each line applicable to each purchase, bid, or request for proposals made by the Procurement Agent or by the Bid Board, the Petitioning Unit, or a Technical Committee constituted by the Inspector General or its authorized representative, for such purposes. Special specifications will be used only in the specific purchases, bids, or request for proposals for which they were drafted.

The specifications of the goods and services to be acquired shall be clear, understandable, and objective, and shall not be based exclusively on the assessment or vision of any public official or employee or external consultant but shall be drafted by a technical specifications team. The OIG must establish clear, understandable and objective specifications that respond to objective criteria of form, function and usefulness such as expected quality, durability and optimal performance of the product or service to be acquired or contracted, as well as terms and conditions related to guarantees, time and mode of delivery, among others.

Likewise, the OIG will ensure that it recruits and maintains personnel who are adequately trained, prepared, supervised and with the necessary knowledge to carry out the function of preparing the specifications, in such a way as to ensure the functionality, quality, adequate design and prudent use of the products and services required by the OIG. At the time of adopting the corresponding specifications, the employee or contractor who prepared the specifications will validate that the provisions of Law No. 14-2004, as amended, known as the *Puerto Rican Industry Investment Act*, have been complied with.

A bidder with whom the OIG enters into a contract for the procurement of goods, construction, or non-professional services, shall be required to include in any subcontracting contract (if subcontracting is permitted) a contractual clause in which the subcontracted party acknowledges and agrees that it will be bound by all specifications of the goods, work or services during the term of the contract. In addition, the contractor must notify the OIG of any subcontracting that has been formalized under said contract. All bidders must confirm and certify, at the time of formalizing an acquisition through the corresponding purchase order or contract, that their product complies with the specifications set forth by the OIG. The OIG shall maintain evidence of such certification in the record of the transaction.

- c. Bonds - When the specifications of the goods, works or non-professional services to be acquired warrant it, bidders or proposers may be required to provide several types of bonds, in order to ensure compliance with the obligation contracted. On those occasions when the provision of a deposit is required, this will always be specified in formal bid documents or request for proposals. The bonds shall be provided in accordance with the provisions of Article 3.4 of these Regulations.
- d. Use of Trademarks - To the extent possible, the specifications should be avoided from containing references to specific trademarks of articles, which could be interpreted as a preference for that brand and have the effect of limiting participation. If it is necessary to use a specific trademark, the record shall include a report justifying this. An exception that may warrant the use of trademarks is when it is a replacement part which must be from a particular manufacturer. In the event that trademarks or other specifications are used that point to a particular product, it will be complemented, exceptionally, with the phrase "or similar" to

accommodate other potential bidders who comply with the requirements to participate.

- e. Samples - Bidders are obliged, when required in the instructions, to submit samples representative of what they will deliver if the acquisition is awarded:
 - i. Samples will be examined by the OIG Procurement Agent or the Bid Board as the case may be likewise, it can be delegated to the Technical Committee.
 - ii. If the samples are destroyed or worn out during the examination process, the OIG will not be responsible for the cost of the samples.
 - iii. If after the examination the samples are not destroyed or are not used in their entirety, the bidder is obliged to collect them within ten (10) days of being notified to do so by the Procurement Agent, or the Bid Board. If after this period, the potential vendor does not collect the samples, they will become the property of the OIG.
 - iv. When samples of the products to be purchased are required, the OIG shall make an objective examination or analysis of the samples of the bidders.
 - v. Participating in bidders shall have a reasonable and notified opportunity to be present at such an examination, prior to the award.
 - vi. In the case of the successful bidder, its samples may be retained for the proper administration of the contract. In the event that these are returned, the selected bidder must have them available for inspection at any time during the term of the contract.

- vii. All that is indicated in this subsection on samples shall not apply in those bids in which the object in question is physically impossible to present, such as machines, heavy equipment, transportation vehicles, but a demonstration of the equipment may be required from all bidders alike.

- f. Inspection of the Goods - In those purchases, bids, or requests for proposals in which it is specifically required in the instructions, the interested vendor is obliged to deliver an inspection certificate with its bid. This inspection certificate must detail the following:
 - i. Mode of delivery.
 - ii. Name of the person who receives the goods from the OIG.
 - iii. Date of product manufacturing.
 - iv. Packing date (month and year) of the merchandise being offered.
 - v. Coding or key of the containers in which the inspected items are packed. The coding shall contain the letters, numbers, and symbols, or a combination thereof, which is normally embossed by the packer at either end of each package to indicate the month, day, and year of the packaging, the date until which the item may be used, i.e., the expiration date, and any other pertinent information. Must provide proof that the product meets the quality of federal and state requirements.

- g. Quality of Packaging – The OIG will specify when the packaging in which any goods are supplied will have to be completely new and hermetically sealed and, in the case of metal packaging, without any indication of oxidation. Cardboard containers, sacks, wood, boxes or any other must be kept in good condition, whether requested in writing or not.

- h. Content and Weight - It will be the bidder's obligation to provide the correct information related to the net weight, content and number of units per carton or packaging of its product, even if it has not been expressly requested in the specifications.

- i. Deliveries - When delivery is a determining factor for the award, subject to a framework of reasonableness that does not tip the balance in favor of or against the particular bidder, the specifications must clearly describe the necessary conditions.
 - i. Dates of Delivery of Goods, Start and Completion of Services or Completion of Works - In the purchase, bid or request for proposals instructions, the bidder will be required to inform in its quotation, offer or proposal, the dates on which the goods will be delivered; in the case of works or services, the date on which it plans to start the work or provide the service and the date on which it will deliver the work or finish the service. The bidder may not include any additional cost in the price offered for expenses related to the delivery of the acquired goods. If the successful bidder does not proceed with the delivery within the established term, the good bid will be awarded to the second bidder and the difference between the latter's bid and the bidder to whom it was originally awarded, will be absorbed by the bond of the bidder to whom it was originally awarded and did not comply with the established terms.

 - ii. Delivery Site - It shall be the obligation of the Procurement Agent to inform the bidder of the delivery site in the Bid Notice (or Invitation).

- j. Release date - The instructions must establish, if applicable, that the bidder awarded with a sales bid is obligated to lift the merchandise or the good awarded in its favor, within five (5) days of receiving the notification of release of the same, at its cost and risk. If the release is not carried out within the established term, the good bid will be awarded to the second bidder and the difference between the latter's bid and the bidder to whom it was originally awarded, will be absorbed by the bond of the bidder to whom it was originally awarded and did not comply with the established terms. It will also be charged for the storage of the days that elapsed after the date that was set for collection and the date of the release of the property by the second bidder.
- k. Storage - In the event that the bidder selling to the OIG has to store the supplies to be delivered, the OIG will not be responsible for the price paid by the bidder for storage or for any profits it loses, nor will the OIG pay taxes, if any, for storage.
- l. Discount - The discount offered by the bidder as an incentive to accelerate payment at the proper time, if the bid is awarded, will not be considered in the evaluation of the bid for the award, unless it is so allowed in the instructions.
- m. Taxes - The price offered by the bidder may not include state taxes.
- n. Preferential Policies - The instructions must contain any notice established in the various preference laws. The specifications must also inform the bidders or proponents of the obligation to submit with their bid any document accrediting their preference. The OIG will faithfully comply with the public policy of preferential purchases provided by law. In the case of purchases with federal funds, if these policies are not permitted, this shall be indicated, indicating the rule that establishes for such prohibition.

- o. Additional conditions - The conditions of in a bid or request for proposal are the terms under which the good is delivered, the work is executed, or the service is provided. Any additional conditions that the requesting unit believes should be included to ensure and safeguard the best interests of the OIG may be included in the terms of a quote, bid or request for proposals.
- p. Permits - The bidding documents shall specify that, in cases where the provision of goods or services to the OIG requires obtaining any type of permit from a governmental or private entity, unless otherwise agreed, the responsibility for obtaining such permits shall lie with the bidder.
- q. Warranty - The specifications must state that each bidder must include, in a clear and detailed manner, the specific period or terms applicable to each warranty, its limitations and conditions, the procedures required to claim the warranty, a clear description of which entity will provide the service of replacement, correction, correction or repair of the product or service and the terms of delivery of the product or service.
 - i. The warranty for the product or service must clearly detail what it includes. In turn, the warranty has to be certified, in the case of products, by the local, out-of-state, or foreign manufacturer and also by its representative or distributor, guaranteeing the OIG its replacement of parts or products, services and labor under terms clearly set out in the bidder's offer.
 - ii. It will also be reported that the bidder must assume the costs related to the guarantee, including transportation or shipping costs.
 - iii. Bidders will be informed that the warranty provided in Puerto Rico will be considered in preference to the one provided abroad.

- iv. Every bidder shall be required to honor the OIG's warranty, if any, regardless of whether or not it is purchased through a distributor.
 - v. The specifications shall warn all bidders that failure to comply with the above shall be grounds for disqualification.
 - vi. In no way shall unreasonably warranty requirements be imposed that have the effect of removing a particular bidder from the process.
- r. Disposition of the good to be acquired - All instructions must include a provision to the effect of requiring all bidders, in any acquisition process, to inform whether their offer includes the disposition of the good to be acquired in an environmentally safe and sustainable manner. It must also state whether or not its offer includes the cost of disposal of the goods to be acquired. In the event that the offer does not contemplate the disposition or the cost of disposal, the bidder must include some alternatives for disposal and estimated cost.

ARTICLE 3.4 – BONDS

SECTION 3.4.1 - BONDS, WHEN TO APPLY

When the specifications of the goods, works or non-professional services to be acquired warrant it, the OIG may require those who offer, bid, or submit proposals, several types of bonds in order to ensure compliance with the obligation contracted. In those instances, in which the provision of a bond is a compulsory requirement, this will always be specified in the instructions.

SECTION 3.4.2 - WAYS TO FILE

The bond shall be provided in favor of the OIG (or as established in the bid package) in one of the following forms:

- a. Certified check.
- b. Money orders; or
- c. Insurance bond issued by an insurance company authorized by the Insurance Commissioner of Puerto Rico.

Bonds will not be accepted for amounts less than those required. Failure to comply with this requirement will lead to the rejection of the offer or proposal or the cancellation of the award.

The OIG Administrative Supervisor and Finance Officer will hold all bonds.

SECTION 3.4.3 - TYPES OF BONDS

- a. Bid Bond: Those who bid or submit proposals may be required to provide a bid bond to secure the bid or proposal. The amount of the bond shall not exceed fifteen percent (15%) of the price offered unless another amount is established in the bid specifications or in the request for proposals. In the case of public works, the bid bond will be five (5%). When the contract is signed or the purchase order is issued, as applicable, the Procurement Agent or the Secretary of the Bid Board, as the case may be, will return all bid bonds submitted, including that of the successful bidder to whom the good bid has been awarded.

When the bids are amended, if the amendment entails an increase in price of the original bid, it will be the bidder's obligation to adjust the deposit in accordance with the new amount. Failure to do so will result in your original bid remaining in effect and the amendment will not be considered.

When the Procurement Agent or the Bid Board decides to cancel the bid, all bid bonds will be returned within three (3) business days after the relevant notice.

- b. Performance Bond: Whoever is awarded a bid or proposal must submit a performance bond to the Procurement Agent or the Bid Board, as the case may be, no later than ten (10) business days following notification of the award. Such a bond shall guarantee the execution of the contract or purchase order, as applicable. The amount of the bond shall be set in the instructions for quotation, the bid specifications or in the list of requirements or request for proposals. The Buying Agent or the Secretary of the Bid Board, as the case may be, will return this bond when the term of the contract expires or when the corresponding purchase order is fulfilled. The performance bonds shall be one hundred percent (100%) of the cost of the contract or purchase order, in the event that public works are required, and not higher than fifteen percent (15%) in other cases.
- c. Payment Bond: Whoever is awarded a quote, offer or proposal to conduct construction work may be required, in addition to any other bond, the Payment Bond. This bond guarantees the parties who have provided labor services or supply of materials to the contractor, that they will receive the sums owed to them by the contractor, unpaid, for labor lent or materials supplied in compliance with the work contracted. Payment bonds will only apply to construction works and will be for one hundred percent (100%) of the cost of the contract or purchase order.

SECTION 3.4.4 - ENFORCEMENT OF DEFAULT BONDS

- a. Bid Bond: The Bid Bond may be executed if, after the expiration of the term of ten (10) working days from the notification of the award, the successful bidder does not present the Performance Bond. In addition, it may be executed if the successful bidder refuses to sign the contract within ten (10) working days of being summoned to do so.

- b. Performance Bond: The Performance Bond may be executed if the term provided for in the bid package or request for proposals has elapsed, the successful bidder does not deliver the goods, does not honor the guarantees or does not comply with the obligations as contracted, for reasons attributable to it. In addition, the bidder will have to be financially responsible for the difference in price that is awarded in the second instance or the price that is obtained through an exceptional purchase. If the deposit does not cover this excess, the balance shall be claimed to the vendor concerned.

- c. Payment Bond: The Payment Bond may be executed, at any time after the agreed date of payment, if the bidder owes any sum to any person who has provided labor services or who has supplied materials for the execution and performance of the work object of the Contract.

ARTICLE 3.5 - REQUEST FOR INFORMATION (RFI)

SECTION 3.5.1 - DEFINITION

The "RFI" will be used to find out if there are one or more suppliers in the market that can provide or offer any particular good, work and/or non-professional service. The RFI is not a bidding method.

SECTION 3.5.2 - PURPOSE

It may be used to obtain relevant information on the market for planning purposes, as well as to estimate prices and capacities, among others, or to determine the several ways in which the required non-professional service can be provided. The request for information shall not in any way bind the OIG to the participating suppliers.

SECTION 3.5.3 – PROCEDURE

When the Procurement Agent or the Bid Board determines the convenience of issuing a request for information, a general guide shall be included that conducts potential suppliers on the needs that may be the basis for a future acquisition through a bidding method established in these Regulations. In addition, the date and place to deliver the required information or the means available to send it will be included. The request for information will be published on the OIG's website, and optionally on the RUS. Also, if deemed possible, it may be sent by e-mail to the suppliers, including those suppliers that belong to the RUL, if deemed necessary, under the category corresponding to the goods, works or non-professional services that are to be acquired.

The request for information indicates that suppliers must take precautionary measures to safeguard confidential information as it constitutes business secrets or confidential information. Information received from suppliers shall not be considered an offer or proposal for negotiation or an award unless a requirement or quotation is included.

The Procurement Agent or the Bid Board may convene one or more meetings to exchange information with suppliers where necessary, without binding the OIG in any way. Any information received through this mechanism may not be disclosed to unauthorized people.

ARTICLE 3.6 – NON-COMPLIANCE

SECTION 3.6.1 - PENALTIES FOR LATE DELIVERY OF GOODS, WORKS OR IN THE RENDERING OF NON-PROFESSIONAL SERVICES.

Successful bidders may be penalized for late delivery of the required goods, works and services. The penalty shall be established in the instructions of the invitation to quote, bid package or request for proposals, as well as in the purchase order or contract between the parties, in accordance with the following provisions:

- a. The bidder with whom the OIG engages in a contract or the bidder to whom a purchase order is issued, shall be obliged to supply the ordered good or service in accordance with the terms of delivery, specifications, and other stipulated conditions. In the event of non-compliance with the contract by the bidder due to delay in the delivery of the contracted movable property or non-professional service, the Administration Area, at the time of processing the payment, may make a discount of half a percent (1/2%) of the value of the unfulfilled contract for each working day of delay; it being understood that at no time shall the total amount to be deducted for damages exceed ten percent (10%) of the amount of the contract for the corresponding item. In addition, the bond that guarantees the execution of the contract, if any, will respond to the payment of damages.
- b. The amount to pay for the delay in the delivery of the non-professional good, work or service in no way represents a penalty and damages agreed upon between both parties to compensate the Government of Puerto Rico for additional expenses and other setbacks.
- c. The foregoing shall not apply to contracts for construction projects.

SECTION 3.6.2 – PENALTIES FOR NON-COMPLIANCE

A. Penalty for late delivery of construction projects:

Price Agreed		Daily Charge
From	Up to	
\$0.00	\$99,999.99	\$300.00
\$100,000.00	\$499,999.99	\$400.00
\$500,000.00	\$999,999.99	\$800.00
\$1,000,000.00	\$1,999,999.99	\$1,000.00
\$2,000,000.00	\$4,999,999.99	\$2,000.00
\$5,000,000.00	\$9,999,999.99	\$3,000.00
\$10,000,000.00	\$19,999,999.99	\$4,000.00
\$20,000,000.00	\$29,999,999.99	\$5,000.00
\$30,000,000.00	\$39,999,999.99	\$6,000.00
\$40,000,000.00	\$49,999,999.99	\$7,000.00
\$50,000,000.00	Unlimited	\$8,000.00 or any other agreed upon amount

B. Other Penalties:

In the event of non-compliance with contracts or purchase orders and determination of lack of economic or other responsibility on the part of the suppliers of goods or services, the OIG may impose the penalties or measures it deems appropriate for the protection of the public interest, which are established below:

1. Confiscate the bond or bonds deposited as collateral.
2. Making an exceptional purchase of the goods, works or non-professional services subject to breach of contract or their equivalent in the market, charging the difference of the price paid on the quoted price to the bidder who breached his contract or claiming it from his guarantor.
3. Request the ASG to remove from the RUL, for the time it deems appropriate, the name of any natural or legal person who breaches a contract or who otherwise violates the terms of the purchase order.

SECTION 3.6.3 - BREACH DUE TO FORCE MAJEURE

When an act of God or *force majeure* occurs, such as a natural disaster, catastrophic accident, pandemic, or any other situation or event that, due to its unexpected and unforeseen occurrence, impact, and magnitude, imminently endangers the life, health, safety, tranquility, or well-being of citizens, and a state of emergency is declared by the Governor of Puerto Rico and/or the President of the United States of America, the terms shall be extended until such time as the Inspector General or an authorized representative determines that the terms begin to run. The Inspector General or an authorized representative shall issue a written communication to this effect.

PART 4 - METHODS FOR ACQUIRING GOODS, CONSTRUCTION WORKS, AND NON-PROFESSIONAL SERVICES

The procedures for the purchase and bid of goods, works, and non-professional services will be carried out using one of the following bidding methods:

- a. informal purchases;
- b. formal bids;
- c. Request for Proposal (RFP);
- d. Request for Qualifications (RFQ);
- e. exceptional purchases, and
- f. alternative mechanisms.

The procedures for each of the procurement methods are detailed in these Regulations.

ARTICLE 4.1 - INFORMAL PURCHASES

Informal purchases are the bidding method to be used when acquiring goods, works, and non-professional services when their cost does not exceed two hundred and fifty thousand (\$250,000.00).

SECTION 4.1.1 - PROCEDURE FOR PROCESSING INFORMAL PURCHASES

The procedure for processing an informal purchase is as follows:

- a. The Procurement Agent assigned to the procedure will request an adequate number of quotes for the necessary goods or services from suppliers or suppliers of goods or services under the corresponding category. The appropriate number of contributions requested shall never be less than the following:
 - i. Purchases of less than ten thousand dollars (\$10,000.00), one (1) quote.
 - ii. Purchases estimated between ten thousand dollars (\$10,000.00) and one hundred thousand dollars (\$100,000.00), three (3) quotes.
 - iii. Estimated purchases between one hundred thousand dollars and one cent (\$100,000.01) and two hundred and fifty thousand dollars (\$250,000.00), five (5) quotes.
- b. The OIG will try to distribute invitations to quote from time to time among various bidders so that they are not always the same.

- c. The Procurement Agent will offer potential suppliers the specifications in an identical manner, this includes, but is not limited to, the terms and conditions, as well as the time they will have to submit their bids in order for them to be considered.
- d. The Procurement Agent shall determine the amount of the performance bond required, if any, and shall establish such a requirement in the Quotation Sheet to be provided by the OIG to the bidders.
- e. The Quotation Sheet shall establish the obligation of the potential supplier to answer if it is interested in bidding in the process.
- f. Quotes may be received by telephone, email, or any other available means of communication available, as established in the Quote Sheet.
- g. Quotes must be received on or before the date and time indicated on the Quote Sheet and a record of quotes will be completed.
- h. At least two (2) responsive quotes from responsible bidders are required when making an informal purchase for competition to be adequate under subparagraphs (c) and (d) above. In those cases, in which the minimum number of quotes is not obtained, as determined, this will not be an obstacle to proceeding with the purchase, however, the reasons for not obtaining the minimum number of quotes must be documented.
- i. The Procurement Agent shall evaluate the quotations received and then award the bid to the responsible bidder with a responsive bid and at the lowest reasonable price, considering the best interests of the OIG; and that it meets the petitioner's exact specifications. Quotes must meet quality, guarantees, etc.
- j. When the Buying Agent selects the supplier, and this was one of those who submitted his offer by telephone, the supplier must submit his offer in writing and sign it.

- k. At the time of selection, the Procurement Agent must ensure the responsibility of the supplier, the capacity of the supplier, the location among other core issues required for the fulfillment of the delivery of the purchase. As well as having the certification of availability of funds issued by the Budget Officer or an authorized representative.
- l. Further to the procedures outlined above, the purchase will undergo a pre-interview and review by the Administration Area, followed by approval from the Inspector General or their authorized representative.
- m. The Procurement Agent will notify the winning bidder by telephone and send the purchase order or contract by email. In addition, it will notify by phone or email to the unchosen suppliers the reasons for the rejection of their bids.

SECTION 4.1.2 – CHANGE ORDER FOR AN INFORMAL PURCHASE

An area or division of the OIG may request a change order from the Procurement Agent, prior to the delivery or receipt of goods, the execution of the work or the provision of services. Notification of a change order will stop the purchase process until the Procurement Agent authorizes the change. If the change order alters the funding obligation, the Procurement Agent will forward the change order to that step prior to continuing with the informal purchase process. If the change order does not alter the description, quantity, price of the non-professional goods, work or services, the change order may be processed at any time during the procurement process. In cases where the delivery date is a determining factor for the award, change orders will not be permitted. In the event that the change order results in an increase in the price of the non-professional good or service, the acquisition will be processed according to the corresponding bidding method.

ARTICLE 4.2 - FORMAL BID

This will be the method used when acquiring goods, works, and non-professional services when the cost exceeds the amount of two hundred and fifty thousand dollars (\$250,000.00). This award will be made by the OIG Bid Board to the responsible bidder who has presented a responsive offer with the lowest reasonable price for the OIG.

SECTION 4.2.1 - FORMAL BID NOTICE OR INVITATION

- a. The Procurement Agent shall prepare, within the period required by the Associate Inspector of Administration or her authorized representative, the Formal Bid Notice, and the related specifications.
- b. The Procurement Agent shall submit the Formal Bid Notice and related documents to the OIG Bid Board.
- c. The OIG Bid Board shall review the Formal Bid Notice and related instructions within the time period prescribed by the Associate Inspector of Management or an authorized representative, after they have been submitted to the Board by the Procurement Agent.
- d. The Notice will be made when the OIG Bid Board has reviewed the submitted documentation and determines that it is ready to proceed.
- e. The Secretary of the OIG Bid Board shall send the Formal Bid Notice to an adequate number of bidders, that may include those registered in the RUL under the corresponding category to the good or service to be procured, when deemed appropriate, at least fifteen (15) days prior to the deadline for submitting bids. However, this period may be reduced, but never to a term of less than five (5) days, if unusual circumstances occur and the Inspector General, or an authorized representative, considers that the term should be less than fifteen (15) days, it must justify in writing indicating the reasons for it. This justification will remain in

the file. In addition, the formal invitation will be published on the OIG website; when deemed appropriate, the OIG may additionally publish the formal bid in the RUS.

- f. The appropriate number of bidders to be invited will never be less than three (3), but if that number is not available, the invitation process will continue, as long as it is justified, expressing the steps taken to identify bidders.
- g. The OIG Bid Board may hold formal bids exclusively for preferential groups, in order to comply with the provisions of Puerto Rico's Preferential Policies.

SECTION 4.2.2 - FORMAL BID NOTICE REQUIREMENTS

The Formal Bid Notice must include the following:

- a. Bid number;
- b. Purpose of the bid;
- c. Date of bid publication;
- d. Conditions or requirements that bidders have to meet;
- e. Specific instructions on where and how to obtain a copy of the bid package, including the physical address and specific place where the documents will be delivered and a contact telephone number. Also, the cost of the bid package, if any, will be specified;
- f. The bid package will be published on the OIG's website or sent to bidders by email. They may also be delivered in person if determined by the OIG. The notification must contain the dates, time, and exact place for the collection of the bid package;
- g. Date and time of the last day to collect the specifications;
- h. If it is decided to hold a pre-bid meeting, the date, time, and place will be indicated, stating whether the attendance is compulsory;
- i. Date, time, place, and manner (in case of electronic filing) in which the bids will be received;

- j. It shall be indicated whether the bid shall be submitted accompanied by a bid bond equivalent to the percentage (%) determined in these Regulations, according to the type of good, work or service included in the invitation;
- k. Date, time and place when bids will be opened;
- l. It shall include a warning that the OIG may order the partial or total cancellation of the formal bid documents irrespective of the stage of the bid as long as it is before the contract is concluded or a purchase order has been issued, where this is in the best interests of the OIG;
- m. A warning shall be included that the OIG may amend any formal bid invitation or specifications where it is in the best interests of the OIG. In this case, the supplier will not have to pay again (if applicable) to obtain the amended bid instructions, and
- n. Any notice required in preferential laws.

SECTION 4.2.3 – CONTENT OF THE FORMAL BID PACKAGE

Each bid package must be identified by its number, purpose, and date of issue. It will be composed of:

- a. the Formal Bid Notice;
- b. instructions;
- c. specifications, and
- d. the terms and conditions of the bid.

The bid specifications shall include the elements necessary for the bidder to submit its offer by e-mail or by personal delivery to the OIG Bid Board (as provided for in the instructions), considering the requirements set out below:

- a. Clear and detailed descriptions of the characteristics of the goods, works, and/or non-professional services that are needed and the complete specifications of each

of them. If a specific brand is required, the bid file must include a recommendation justifying this.

- b. Specific instructions regarding the manner in which bids will be submitted, including the deadline for submitting bids.
- c. The terms and conditions that will govern the transaction. Such terms and conditions together with the specifications shall form the basis of the contract or purchase order.
- d. Required delivery and inspection terms and conditions that are essential to the bid award.
- e. Place, date and time in which the envelopes or e-mails of offers will be opened and indications on the way in which they must be identified.
- f. Special conditions or requirements that may affect the award process.
- g. Evaluation criteria for the award of the formal bid.
- h. Term to file and/or present a challenge to the invitation, the specifications and the award.
- i. Any certification or special documents that bidders must submit as part of their bid.
- j. Discount types, including the percent (%) cash discount, if any.
- k. The warning that the Inspector General, or an authorized representative, may order the partial or total cancellation of the formal bid before or after the opening ceremony, in accordance with the provisions of these Regulations.
- l. A warning that the Inspector General, or an authorized representative, may amend any formal bid package up to two (2) business days prior to the opening of bids when the amendment involves additional changes or requests to be included in the bid or bidding process or one (1) business day prior to the opening of the bid when the amendment does not affect the submission of bids.

- m. Notification to bidders on which copies of the related documents will be available from the OIG or the OIG Bid Board, in situations where not all specifications of the goods, works, or services to be purchased are included in the specifications.
- n. Any notice required in preferential laws.
- o. Any certification or special documents that bidders must submit as part of their bid.
- p. It shall always include the following warning: "Notification of the award of this bid shall not constitute the formal agreement between the parties. It will be necessary for the corresponding obligation to be entered into or for the OIG to issue a purchase order signed by the authorized person or a contract."
- q. Notification to bidders on the availability of additional related documents and where they can be obtained.
- r. Any additional criteria that the OIG or the OIG Bid Board deem necessary include in the bid documents.

The OIG Bid Board may, when necessary, notify the Inspector General, or an authorized representative, of the need to obtain technical advice from any external resource, employee, or official of the Government of Puerto Rico with specialized knowledge for the preparation of the formal bid package.

SECTION 4.2.4 - AMENDMENTS TO THE FORMAL BID DOCUMENTS

Amendments to the bid specifications may only be made:

- a. When the petitioning office or division submits amendments.
- b. When, in the opinion of the Inspector General or an authorized representative, the terms provided are unreasonable.
- c. When any substantial and irremediable error is discovered in the bid package.
- d. When it is interested in increasing or decreasing terms or quantities or changing conditions or specifications.
- e. When the terms of the specifications are reconsidered.

The OIG may amend any formal bid documents up to two (2) business days prior to the opening of bids when the amendment indicates additional changes or requests to be included in the bid, or one (1) business day prior to the opening of the bid when the amendment does not affect the submission of bids. In the case of construction projects, the amendment must be made at least five (5) days prior to the opening ceremony.

All amendments must be authorized by the OIG Bid Board. The OIG Bid Board shall notify the suppliers invited for the formal bid of the Notice of Amendment to the Bid Package. In addition, the Notice of Amendment will be posted on the OIG or RUS website when deemed appropriate. All amendments will form part of the bid specifications and those interested in bidding will have to consider them when submitting their bids.

SECTION 4.2.5 - CANCELLATION OF THE FORMAL BID DOCUMENTS

The Inspector General, or an authorized representative, may cancel the bid package subject to the following:

A. Before the Opening Ceremony:

1. If any of the conditions that are exempt from the bid process (exceptional purchases) arise.
2. For any reason that the Inspector General, or an authorized representative, believes to be duly justified by the petitioning office or division, by the Associate Inspector of Administration or the Administrative Supervisor or by the OIG Bid Board.
3. As a result of a bid challenge.
4. When the Inspector General, or an authorized representative, determines that the cancellation of the bid package is in the best interest of the Government of Puerto Rico. The Notice of Cancellation will be notified by email to the bidders who have obtained the specifications.

In addition, the Notice of Cancellation will be published on the OIG website and/or the RUS, if necessary.

B. After the Opening Ceremony:

The Inspector General, or an authorized representative, may cancel the bid documents after the opening ceremony has been held, provided that a contract has not been concluded or a purchase order has not been issued, where the Inspector General, or an authorized representative, determines that the cancellation of the bid documents is in the best interests of the OIG. The Notice of Cancellation will be notified by email to the bidders who have obtained the specifications. In addition, the Notice of Cancellation will be published on the website of the OIG and/or RUS, if necessary.

SECTION 4.2.6 - PRE-BID MEETINGS

- a. The OIG Bid Board may hold pre-bid meetings no less than five (5) business days prior to the date set for the opening ceremony. During its celebration, the presence of the Buyer assigned to said bid will be required, the presence of a representative of the requesting office or division with knowledge of the type of good or service that is intended to be acquired. The OIG may establish in the instructions whether or not it is mandatory to attend the pre-bid meeting.
- b. The Secretary of the OIG Bid Board or any representative authorized by the OIG Bid Board shall preside over the pre-bid meetings.
- c. All pre-bid meetings will have the purpose of clarifying to the bidders the doubts that arise regarding the bid specifications. Also, bidders will be advised that contact with members of the OIG Bid Board is prohibited after the conclusion of the pre-bid meeting and during the bid evaluation process.
- d. A period and deadline will be established to provide written questions. Any questions or requests for documents submitted by potential bidders to the OIG Bid Board will be channeled through the Board's Secretary.

- e. Any written questions submitted to the OIG Bid Board for consideration shall be answered within the time limit established for that purpose. Both the question and the answer will be offered to the other bidders for their benefit and to add transparency to the process.
- f. The parties who participate in the pre-bid meeting will sign the attendance record book and must identify the natural or legal person they represent, as well as provide a copy of the corporate resolution or authorization provided by the natural person or legal entity in their favor.
- g. The Procurement Agent assigned to a bid shall prepare a pre-bid meeting minutes, which will include, at a minimum, the following: (i) a list of the names of the participants and the natural or legal persons they represent, if applicable; (ii) the matters discussed, the clarifications and the agreements made at the meeting, and; (iii) the date, time, and place of the meeting.
- h. The Procurement Agent assigned to a bid will send a copy of the minutes by email to the potential bidders who participated in the meeting at least two (2) business days before the opening ceremony. The original of the minutes will be included in the official bid file.
- i. Any verbal or written bid submitted by bidders in the pre-bid meeting shall be deemed not to have been submitted, shall not be included in the files, and shall not be taken into consideration at the time of awarding.
- j. When it is determined that the presence of bidders at pre-bid meetings is compulsory, which must be notified, the non-appearance of a bidder will be sufficient reason for its disqualification. Likewise, failure to comply with any other requirement established in the instructions will lead to disqualification.

SECTION 4.2.7 - SUBMISSION OF BIDS FOR THE FORMAL BID

- a. Bids must be signed by the bidder.

- b. When a bidder who is not registered in the RUL appears at a formal bid process and submits a bid, the OIG Bid Board will not reject the bid on the grounds that the bidder is not in the RUL; in such a case, the Board shall determine whether it is a responsible bidder. As an alternative, the Board will grant five (5) working days to that bidder, counted from the opening act, to submit the required documents to the RUL. In the event that the bidder does not register within the term provided or does not turn out to be a responsible bidder, it may be disqualified from the formal bid process.
- c. Bids will preferably be received by email or personal delivery to the OIG Bid Board.
- d. The e-mail address which includes the bids as an attachment or the envelope containing the bids, as the case may be, will be identified with the name, address and telephone number of the bidder and the bid number. Personal delivery of envelopes shall be made to the OIG Bid Board where they shall be marked indicating the exact date and time they were received, which shall constitute the official date of delivery of the bid. The date and time of the bids submitted by email will be those printed on the document. Any unidentified bids received as provided herein will be treated as regular correspondence. Once opened in accordance with the usual procedure for regular correspondence (physical or electronic), the Secretary of the Board will contact the bidder and return the envelope as received so that it complies with the provisions herein. The OIG Bid Board Secretary will take a photocopy of the envelope or print the e-mail receipt as evidence and proceed to record the situation.
- e. The OIG Bid Board will accept bids until the deadline and time set for the submission of bids. In the event of any natural event or special circumstance that causes the closure of the headquarters of the OIG Bid Board and prevents the receipt of bids by the deadline set forth in the bid documents, bids shall be

submitted on the day on which the OIG Bid Board resumes its functions, at the time originally arranged, or at any other time that is duly notified.

- f. Each bidder shall be entitled to submit only one bid for each non-professional good, work, or service specified in each bid, unless otherwise indicated in the bid package.
- g. Bidders shall submit their bids on the official forms supplied, in the original. In case they submit their bids by email, they must submit the related documents to the OIG Bid Board, in their original.
- h. Bidders may reproduce the official form in photocopies if necessary.
- i. If necessary, bidders may add sheets to clarify or describe their offers in more detail.
- j. Bids received outside the date and time set will be returned to the bidder informing him of his failure to comply with the established conditions and his disqualification. The original sent envelope for the bid or electronic receipt will be retained, which will become part of the bid file.
- k. Bids submitted by bidders will be part of the bid file in which they participated and will become the property of the OIG, regardless of whether the formal bid is cancelled or awarded. However, confidential information constituting trade secrets, or any other information protected by copyright, among other legal provisions, may not be disclosed by the OIG Bid Board. Because of this, any information that constitutes confidential and protected information must be attached to the bid by the bidder on an individual sheet that must be titled "Confidential and Protected Information."
- l. If the bidder offering a specific brand is the exclusive representative of that brand, it will have the obligation to mention it in the bid and submit the manufacturer's certification.

- m. Any bid submitted shall be in custody of the OIG Bid Board and shall under no circumstances be opened until the date and time fixed for the opening ceremony.
- n. If, prior to the date of the opening ceremony, a tender is received with the envelope opened, damaged, damaged or without identification, the Secretary of the OIG Bid Board shall contact the tenderer concerned so that he may personally verify the envelope, and the documents contained therein and place them back in another sealed envelope. duly identified and formally deliver the offer. The delivery date will be the original receipt date. The Secretary of the Board will prepare a record of the incidents to which he will attach the damaged, damaged, or unidentified envelope and the bidder will sign at the bottom of the record indicating the date and time of the inspection of the damaged, damaged, or unidentified envelope.
- o. Bids must be made in dollars (U.S.) and cents per item.
- p. In the event that no bids are received, the OIG Bid Board may hold a new formal bid, or an exceptional purchase may be made.

SECTION 4.2.8 - RECORD OF OFFERS RECEIVED

On the date set for receipt of bids, the Secretary of the Board shall record the bids received in the registry. Such a registry shall remain in the custody of the Secretary of the Board.

SECTION 4.2.9 - TYPES OF OFFERS

The OIG Bid Board may accept or reject bids submitted by bidders as follows:

- a. Basic offer - This is the one in which the bidders write down the unit price of each of the line items for which they wish to quote. If the bidder notes prices per unit in some items and omits it in others, it will be understood that it is in the interest of making offers only in those items for which it makes the basic bid.
- b. Alternate bid - A bidder may submit one basic bid and one or more alternate bids for goods or non-professional services of different prices, qualities, or categories, when these have been requested in the bid documents and the same opportunity

has been given to the other bidders. The fact that alternative bids are solicited does not oblige the OIG Bid Board to accept them, even if they are lower in price than the basic bid if it is understood that it is not in the interest of the OIG.

- c. All-or-nothing bid - Consists of a bid for a lower price for a group of items or lines of items, subject to the condition that all of them are awarded to the bidder. The total discounted price or the percentage of the discount must be noted next to each item, indicating the phrase "all or nothing".
- d. Lump-sum offer - Bidders may quote on the basis of lump sum. The bidder shall enter next to the sum of the lines for which he has quoted, a reduced figure or indicate a percentage discount.
- e. Several bids by the same bidder- A commercial company may not submit several bids for a bid, either in its own name, in the name of any of its subsidiaries or branches, of some or more of its partners, agents, officers and entities to which they belong because each and every one of the bids will be declared null and void.

The OIG Bid Board shall not consider bids that add or remove specifications or conditions required in the bid package, or that alter, modify, or vary them. Nor will offers that contain ambiguous, incomplete, undefined phrases, paragraphs, or comments or that detract from the certainty of the offer be considered. As an exception, those minor deviations that do not alter the basic concept of the specification, the condition or the term of the bid documents will be accepted, only if no bidder has offered a non-professional good or service that complies with the required specifications and terms. The OIG Bid Board will consider the total price offered, however, all bids submitted must include the detail of the price offered: price per unit of the good or service (for each item), costs of transportation, delivery, assembly, warranty, training, maintenance or services, replacements, among others.

SECTION 4.2.10 - CORRECTIONS TO OFFERS

Corrections to bids, which arise as a result of errors, must be signed and initiated by the bidder, otherwise, the bid for the corresponding item or items will be invalidated.

SECTION 4.2.11 - AMENDMENTS TO OFFERS

Any modification that varies the terms of the previously submitted offer will be made by written communication, presented to the OIG Bid Board and must be sent in a sealed envelope, duly identified with the following information:

- a. bid number;
- b. date;
- c. appointed time for the delivery of the offer;
- d. name and address of the supplier, and
- e. the reasons for the modification of the offer.

Modifications submitted after the deadline established for the submission of bids will not be admitted. Any modification of the offer will be announced on the date and time set for the opening of the bid, together with the original offer.

SECTION 4.2.12 - WITHDRAWAL OF OFFER FROM THE FORMAL BID

An offer may be withdrawn by written request addressed to the OIG Bid Board, in person or by e-mail, at any time prior to the opening ceremony. The offeror may not submit a substitute offer once it has withdrawn its bid for a given formal bid. No bidder may withdraw its bid after the opening of a formal bid.

SECTION 4.2.13 - FORMAL BID OPENING CEREMONY

A. Process provided for the formal bid opening ceremony:

1. Bids will open on the day and time set for their opening. The opening ceremony will be public, and anyone interested can attend it. In the event that the opening ceremony is held virtually, any interested person will be provided with an electronic link to access the event.

2. The opening ceremony will be presided over by the Secretary of the Board or by any member of the Board.
3. The opening ceremony may be attended by the members of the OIG Bid Board, the bidders concerned and any interested individual. It will not be a requirement that the Meeting be constituted in plenary session for the opening ceremony.
4. Bidders must be in the room where the opening ceremony will be held at the time indicated for the start. Those who arrive later will not be able to enter and will lose the opportunity to participate.
5. All people attending the opening ceremony will sign an attendance record, indicating the name of the natural or legal person they represent and the position they hold. In the case of representing a natural or legal person, the representative must provide a copy of the Corporate Resolution or authorization that allows that person to appear for such purposes.
6. The OIG Bid Board member presiding over the opening of the bid shall state aloud the bid number under consideration, the purpose of the bid and the name of each bidder who submitted bids. It will show all the people present the emails or sealed envelopes of the tenders, as established in the specifications. The Board member will open them and verify that they contain the documents required in the bid package. Bid emails or envelopes will be retained in the bid file.
7. The official presiding over the opening ceremony will initialize and seal each of the pages of each tender. In cases where bids are expected to be large or many bidders will be contender, the Secretary of the Board shall request the assistance of the members of the Board to assist in sealing the bids. In the case of electronic submission of bids, the pages will be initialized and stamped electronically.

8. The following information should be read aloud: the number of the item or line for which a bid is being submitted; the price per item; the make and model; the warranty; if applicable; and the delivery date if it is one of the conditions of the bid.
9. Once bids have been opened and read out in public, the OIG Bid Board may not change the terms of the bid, nor will bidders present be permitted to bid or make changes or modifications to the bid.
10. Any person present at the opening ceremony may examine the bid documents submitted after the Secretary of the Board has read aloud, initiated, and sealed all bids.
11. The Secretary of the OIG Bid Board or the official presiding over the opening ceremony shall be responsible for drawing up a record of all incidents within twenty-four (24) hours and shall certify the veracity of the statement. The minutes will contain the following information:
 - a. number and subject of the formal bid.
 - b. date, time and place of opening.
 - c. number of bids received.
 - d. how many bidders quoted for one or more items and how many did not contribute.
 - e. names of the bidders who did not bid.
 - f. a copy of the attendance record signed by those attending the event must be made part of the minutes.
 - g. certification of the person presiding over the opening ceremony, as to compliance with the regulatory provisions concerning said act.
 - h. any incident that occurred during the opening ceremony; and
 - i. signature of the person who presided over the opening act.

The opening ceremony of any formal bid must be recorded. The recording shall be preserved intact and identified in the custody of the OIG Bid Board for a period of not less than six (6) months. In the event that a review of the process has been submitted to the ASG Review Board or to the General Court of Justice, such recording shall be preserved until a final and final determination is issued.

SECTION 4.2.14 - SUMMARY OF OFFERS

The OIG Bid Board will make the relevant assessments. The evaluation shall include a breakdown or summary of the bids offered by the bidders, which shall include the following information, where applicable:

- a. Formal bid number.
- b. Name of each bidder who submitted a bid.
- c. Offered price.
- d. Indication for the purposes of whether or not it complies with the specifications and conditions:
 - i. If it does not comply, it will be pointed out which ones do not comply and why it does not comply with the specifications, terms, and conditions.
 - ii. When non-compliance with the specifications, terms and conditions of the process is stated as a basis for disqualifying or rejecting the bid, the basis for such determination must be clearly stated, together with the technical analysis that was carried out and all the documents that support it.
- e. In the analysis of the economic aspects of the purchase, an evaluation of the jobs, economic activity and income received by the Government generated by the different bids must be included, according to the base of operations of each participating bidder. The local supplier will be considered preferential if it represents the lowest reasonable price for the OIG.

- f. Recommendation in favor of which bidder to win the award and for what reason, and the reasons why the other bids should be rejected.
- g. Date and signature of the person preparing the bid summary.

SECTION 4.2.15 - AWARD RULES

A. Bid Evaluation

The OIG Bid Board shall have a period of fifteen (15) working days from the day on which the opening ceremony is held to examine, evaluate all bids and award the formal bid. In the process, a Technical Committee, in accordance with the provisions of these Regulations, may assist the Board in the evaluation of any formal bid.

B. Basic Evaluation Criteria

In evaluating bids, the OIG Bid Board shall consider the criteria set forth in the formal bid documents, together with the following:

1. The accuracy with which the bidder has complied with the specifications, terms, and conditions of the formal bid package.
2. The quality of the goods, works and non-professional services offered and how they meet the specifications and meet the established needs.
3. If the price is competitive and comparable to the prevailing price in the market. In addition, apply the percentage of preference established if the person or entity has submitted a Resolution of the Board for Investment in Puerto Rican Industry or any document accrediting preference, as provided in preferential laws.
4. The recognized ability of the bidder to conduct works of nature under consideration in non-professional works and services.
5. The economic responsibility of the bidder and the experiences of the OIG with the performance of previous contracts of the same or similar nature.
6. The nearest delivery term if this has been stated as one of the conditions.

7. The economic and financial capacity, as well as the trajectory and previous experience of the bidder to provide these services or goods and comply with the terms of delivery and guarantees of the product or service.
8. The specific period or terms applicable to each warranty, its limitations and conditions, the steps required to claim the warranty, which entity will provide the service of replacement, correction, correction, or repair of the good or service.
9. If the bidder qualifies as a minority or women's business, or another for which a preference must be granted under any applicable law.
10. Any other relevant criteria that represent the best value to the OIG.
11. These criteria shall be tabulated and presented in a comparative manner between bidders and this report shall form part of the bid file.

C. Lowest bid rejection

The OIG Bid Board may reject the lowest price bid when one or more of the following conditions occur:

1. When it is known and there is evidence that the bidder who makes the lowest bid has failed to comply with the terms of previous contracts granted by the OIG and such non-compliance is attributable to it. Matters in controversy and pending adjudication shall not be considered in any forum.
2. When the tests carried out on the samples of the product reflect a quality lower than the specifications of the formal bid instructions.
3. When there is knowledge and reliable evidence that the bidder has failed to comply with the terms of contracts granted with other government entities.
4. When the bid does not meet the specifications, requirements and terms and conditions of the formal bid, or does not include the bidder's authorized signature or initials.

5. When the previous experience of the OIG with the guarantee or operation of the line offered has not been satisfactory.
6. When the offer does not represent the best interest for the OIG as the price is not reasonable to complete the designated delivery, work, or task.
7. The reasons for rejecting the lowest bid in price shall be set out in detail in writing and the document shall form part of the formal bid file.

D. Deadline of Delivery as the Primary Evaluation Criterion

1. Unless it has been stated in the bid package that the promptness with which the requested items are delivered will be considered as the main criterion for the award, the bid that best meets the specifications, terms and conditions of the Formal Bid Package, whichever is the lowest in price, may not be rejected, to award it to a bidder offering a higher price with a faster delivery date.
2. In those cases, in which a specific delivery date is not required in the bid package, bidders must indicate in their bid the term or date on which they will deliver the items or render the required non-professional service.
3. In exceptional situations in which, after the opening of the offers, the OIG becomes aware and consequently determines that the delivery term may adversely affect the development of the activities in the requesting division, this will constitute the main criterion that will be considered to evaluate the bids for award. The OIG Bid Board shall notify bidders that the delivery term shall be the primary criterion for the award and shall give them twenty-four (24) hours to amend such a delivery term. The justification for such action shall be recorded in writing and it shall form part of the file of the particular bid.

E. Preference

The OIG Bid Board shall faithfully comply with the public policy of preferential purchases set forth by law that may be enacted for such purpose.

1. Act No. 14-2004, as amended, known as the *Puerto Rican Industry Investment Act*.
2. Act No. 129-2005, as amended, known as the *Commonwealth of Puerto Rico Government Procurement Reserves Act*.
3. Act No. 253-2006, known as *the Multiple-Choice Contracts in Procurement Processes Act*.
4. Act No. 42-2018, as amended, known as *the Local Construction Contractors and Suppliers Preference Act*.
5. Act No. 109 of July 12, 1985, as amended, known as the *Act to Provide for the Use of Construction Material Manufactured in Puerto Rico, in Public Works and Buildings Constructed, Reconstructed, Conserved, or Repaired with Public Funds*.
6. Reorganization Plan No. 2-2011, as amended, known as the *Department of Corrections and Rehabilitation Reorganization Plan of 2011*, specifically Chapter VII.
7. Act No. 70-1992, as amended, known as the *Act for the Reduction and Recycling of Solid Waste in Puerto Rico*.

F. Discounts for Prompt Payment

The OIG will indicate in the instructions for each formal bid whether a discount for prompt payment will be accepted. If there is no expression in this regard in the instructions, it must be presumed that no prompt payment discount applies, so that, in this case, any offer that includes a cash discount will not be considered.

G. Allocation by Items

When it serves the best interests of the OIG, the Board may:

1. Accept or reject any line items, groups of line items of any offer.
2. To award the bid encompassing several items.

H. Award to a single offer

When a bid is received from a single bidder, the OIG Bid Board may accept it provided that it conforms to the specifications and the price is competitive and comparable to that prevailing in the market. Also, the terms of this may be negotiated. If the specifications and price requirements are not met, the OIG Bid Board will reject the bid and must issue a second notice for the process. Only in the event of not receiving bids as a result of a second notice will the exceptional purchase procedure apply.

I. Tied Offers

Bids that are identical in price, specifications and other conditions stipulated in the specifications of the formal bid will be considered tied. For the appropriate award, the OIG Bid Board shall notify bidders with similar bids that within three (3) days they shall appear before the Secretary of the Board or before the Board member appointed by the President and submit new sealed bids. On the day and at the appointed time, the envelopes will be opened in the presence of representatives of these bidders. The OIG Bid Board will evaluate the bids and award the bid to the responsive bidder that has bid the best value for the OIG. At the discretion of the Chairperson of the Board, the appearance may be virtual and new bids may be submitted electronically.

If a further tie occurs, the bid award will be divided between those bidders, if the parties accept the reduced award. Otherwise, the match(s) in which the draw occurred will be cancelled. The manner in which the tie of bids is resolved must be stated in the corresponding minutes.

In the event of a tie between local bidders, from the United States and/or from foreign countries, preference will be given in the first instance to Puerto Rican bidders; secondly, those from the rest of the United States and thirdly those from foreign countries, in view of the offers that represent the best value for the OIG.

J. Deserted Formal Bid

The bid will be considered void when no bids are received on the date and time established for this purpose in the bid specifications. In the event that the bid is void, the OIG will hold a new formal bid. If the second bid is also deserted, an exceptional purchase may be made.

K. Global Rejection

Any or all bids for a formal bid may be rejected in the following situations:

1. Bidders do not comply with any of the stipulated requirements, specifications, or conditions.
2. The prices obtained are unreasonable or the terms are onerous.
3. When the offers demonstrate that the bidders control the market for the product requested it is understood that they have agreed among themselves to quote excessive prices. In such a case, the corresponding referral will be made to the Department of Justice.

If any of the above circumstances occur, the OIG Bid Board shall issue a second notice for the process. Only in the event that the bids received in said notice result again in the circumstances mentioned above, will the exceptional purchase procedure apply. The OIG Bid Board shall draw up a record of each proceeding in which it shall set out in detail the particular situation that has arisen as a result of each call. Both minutes must be in the file, as a prerequisite to the exceptional purchase procedure.

SECTION 4.2.16 - AWARD OF THE FORMAL BID

The OIG Bid Board will evaluate the bids and how they meet the evaluation criteria set forth in the specifications, terms and conditions set forth in the formal bid documents. The OIG Bid Board shall award the bid to the responsible bidder who submits a responsive bid or bid, the lowest reasonable price.

SECTION 4.2.17 - NOTIFICATION OF AWARD

Once the OIG Bid Board makes the corresponding award, it will proceed to notify its final determination by means of a Resolution, which will include findings of fact and conclusions of law. The Award Resolution (Notice of Award) will be properly notified, by certified federal mail with return receipt or email to all parties who have the right to challenge such determination, that is, to the bidders participating in the process. The award notification must include:

- a. the names of the bidders who participated in the bid and a summary of their proposals.
- b. the factors or criteria that they considered to award the bid.
- c. the defects, if there were any, of the unsuccessful bidders' proposals.
- d. the availability and period for requesting administrative review and judicial review.

The OIG Bid Board shall file a copy of the Resolution and the record of the notification in the file. The notification of the award will warn that in the event that for any reason the successful bidder does not appear at the signing of the contract or purchase order, or having appeared at such award, in any way fails to comply with its obligation, the OIG will proceed to award the next responsible bidder, with a responsive offer and best value, and so on.

SECTION 4.2.18 - ADMINISTRATIVE OR JUDICIAL REVIEW OF THE FORMAL BID

A party adversely affected by a decision of the OIG Bid Board may file an administrative or judicial review claim pursuant to Part 5 of these Rules of Procedure upon notice of

the bid award.

SECTION 4.2.19 - CONTENTS OF THE FORMAL BID FILE

The formal bid file will consist of the following documents:

- a. the Formal Bid Notice;
- b. the Formal Bid list with its amendments, if any;
- c. the minutes of the pre-bid and adjudication meetings of the OIG Bid Board;
- d. the Opening Act minute;
- e. the offers submitted;
- f. the award of the bid;
- g. award notifications to bidders, and
- h. any other document that must be included under these Regulations or that is sent to bidders, or that is essential for the evaluation of a formal bid.

Any individual who is interested in and requests to examine the aforementioned file may do so after notification of the Resolution containing the final determination of the OIG Bid Board of that particular bid. The file may be examined even if it is before the ASG Review Board, but always after notification of the award.

In cases where a formal bid is cancelled after the opening ceremony has been carried out, any private person who requests it may examine said file, except for information that constitutes a business secret or protected information.

The right granted to private parties shall always be subject to the non-impairment of the services provided and the normal course of work of the OIG Bid Board. This will require a written request made to the Secretary of the Board, who will arrange for the Secretary or an authorized representative to be present during the examination of the documents and will provide appropriate notice of the day and time.

The Secretary of the Board shall permit the applicant to review the file within three (3) business days of the date of request.

Bids submitted by bidders will be part of the record of the formal bid for which they were submitted and will become the property of the OIG Bid Board, regardless of whether the formal bid is cancelled or awarded.

SECTION 4.2.20 - FINAL OBLIGATION

Once the formal bid process is completed, the corresponding contract is awarded, or a purchase order is issued. The mere submission of a request for administrative review shall not have the effect of paralyzing the award of the contested bid. The provisions prescribed in Part 6 of these Regulations shall be followed.

RULE 4.3 REQUEST FOR PROPOSALS or RFPs

Bidding method to be used to acquire goods, works and non-professional services that admits negotiation between the bidder and the OIG, while the proposals received in a sealed envelope or by e-mail are evaluated. The Request for Proposals (RFP) allows for negotiated procurement and gives bidders the opportunity to review and modify their bids or proposals, prior to the award of the good bid. The OIG may request bidders or proponents to submit their best and final offer (BAFO). The request for proposals must contain the parameters or criteria to be used for the award of the contract. That is, the requirements, terms, and conditions, as well as the factors to be considered in the evaluation for the corresponding award. The negotiation phase will not create any rights between the parties.

This bidding method will be used when the cost of the goods, works and non-professional services exceeds the amount of two hundred and fifty thousand dollars (\$250,000.00), or if minor, if the OIG determines it necessary because it is a specialized good, work or service, and its award will be made by the Bid Board of the OIG. The Invitation shall be issued by the OIG Bid Board in accordance with Section 4.2.1, (a) (b) (c) (d) (e) of these Rules.

The request for proposals procedure may include a Request for Information (RFI) or Request for Qualifications (RFQ) to potential suppliers or service providers, at the discretion of the OIG Bid Board, but such requests for information shall in no way create an obligation on the OIG to process a request for proposals. An RFI may be conducted independently to obtain information about potential suppliers or service providers and to compare them with each other, as deemed appropriate, a joint invitation for information request and request for proposals may be issued, or separate invitations may be issued.

SECTION 4.3.1 - WHEN TO USE THE REQUEST FOR PROPOSALS PROCEDURE

The request for proposals procedure may be used when one of the following circumstances occurs:

- a. when the goods or non-professional services to be acquired are highly sophisticated, specialized, technical, or complex;
- b. when it merits a negotiation process with proposing bidders to obtain the best final offer.
- c. when the terms of bids submitted in bids are onerous for the Government of Puerto Rico;
- d. when there are few qualified suppliers, or;
- e. when the Inspector General and/or an authorized representative, after being duly advised, determine that the negotiation with bidders that allows such bidding method results in greater benefits for the Government of Puerto Rico and for the OIG.

SECTION 4.3.2 - INVITATION FOR REQUESTS FOR PROPOSALS

- a. The Procurement Agent will prepare the request for proposals. The invitation will be made after the specifications have been reviewed and authorized by the OIG Bid Board, as appropriate.

- b. The Secretary of the Board shall send the RFP Notice to bidders, including those under the category corresponding to the good or service to be purchased registered in the RUL, when deemed appropriate, at least twenty-one (21) days before the deadline for submitting proposals; such period may be less than twenty-one (21) days provided that the Inspector General or his authorized representative considers that it is in the best interests of the public interest of the OIG. When the request includes federal funds, the invitation shall be sent within the term established by the federal entity concerned. In addition, the RFP Notice will be posted on the OIG's website. Evidence of the submission of the RFP Notice posted on the OIG website will be maintained in the RFP file. The official date of the RFP Notice will be the date on which the invitation was published on the OIG website.
- c. The RFP Notice will be sent to bidders, including those registered in the RUL, under the category corresponding to the good or service to be acquired, when deemed necessary, by email to the address provided or available in the RUL.

SECTION 4.3.3 - BASIC REQUIREMENTS FOR THE INVITATION TO REQUEST PROPOSALS

The Request for Proposals Invitation must include the following:

- a. RFP number.
- b. Purpose of the request for proposals.
- c. Date of publication of the request for proposals.
- d. Date, time and place on which the proposals will be received.
- e. Date, time and place in which the proposals will be opened.
- f. Specific instructions on where and how to obtain a copy of the RFP package, including the physical address, the specific location where the RFPs will be delivered, and a contact telephone number. Also, the cost of the RFP package, if any, will also be specified.

- g. Copies of the request for proposals will be kept available so that any other supplier, even those not part of the RUL can pick them up. The request for proposals may be sent by e-mail if they are free of charge. They may also be delivered personally, if determined by the OIG. If personal delivery is determined, free of charge or not, the suppliers included in the RUL under the category corresponding to the good, work, or non-professional service to be acquired will be notified by electronic messaging and the availability of the specifications and their cost, if any, will be published on the OIG's website. The notification must contain the dates, time, and exact place for the collection of the specifications. For each particular award process, the suppliers shall be notified by the same means.
- h. Date and time of the last day to collect the RFP package.
- i. If it has been decided to hold a pre-proposal meeting, the date, time, and place will be indicated, stating whether attendance is compulsory.
- j. It shall be indicated whether the proposal must be submitted accompanied by a bond equivalent to the percentage determined in these Regulations, according to the type of good, work or non-professional service included in the invitation.
- k. A warning shall be included that the Inspector General or an authorized representative may cancel the RFP, even after the opening ceremony has been held, provided that no contract has been entered into or a purchase order has been issued, if it is in the best interest of the OIG to cancel the solicitation documents.
- l. A warning shall be included that the OIG may amend any invitation or statement of invitation when it is in the best interests of the OIG. In this case, the supplier will not have to pay again (if applicable) to obtain the amended bid specifications.
- m. Any notice required in preferential laws.
- n. In the RFP Notice on construction projects, the name of the project, location of the project, description of the project, period within which the work must be executed

and the service to be provided ("Scope of Work") shall be expressed. In addition, a project estimate will be included.

SECTION 4.3.4 - CONTENT OF THE REQUEST FOR PROPOSALS PACKAGE

The request for proposals will include at least the following:

- a. Clear and detailed descriptions of the characteristics of the goods, works and/or non-professional services that are needed and the complete specifications of each of them. If a specific brand is necessary, the RFP Package will include a recommendation that justifies it.
- b. An overview of the selection process.
- c. The criteria for evaluating and selecting proposals.
- d. The deadline, manner, and place where the proposals must be submitted.
- e. Specific instructions regarding the way in which proposals or offers will be submitted, including the deadline for submitting them.
- f. The terms and conditions that will govern the transaction. Such terms and conditions together with the specifications shall form the basis of the contract or purchase order.
- g. Required delivery and inspection terms and conditions that are essential to the relevant award.
- h. Place, date and time at which the envelopes or e-mails containing the proposals or offers will be opened and indications on how they must be identified.
- i. Special conditions or requirements that may affect the award process. For example, whether it will be necessary to submit a sample of the product for evaluation and how the sample will be available once the test is conducted.
- j. Evaluation criteria for the award.
- k. Terms for filing and/or filing a challenge to the invitation, the specifications, and the award.

- l. Any certification or special documents that bidders must submit as part of their proposal or offer.
- m. Discount types, including the percent (%) cash discount, if any.
- n. A warning that the OIG may order the partial or total cancellation of the request for proposals before or after the opening ceremony.
- o. A warning that the OIG may amend any RFP specifications up to two (2) business days prior to the opening of bids when the amendment involves additional changes or requests to be included in the proposal or bid or one (1) business day prior to the opening of the bid when the amendment does not affect the submission of bids.
- p. In the case of construction work projects, a warning shall be included that the OIG may amend any specifications up to five (5) working days before the opening of proposals or offers when the amendment involves additional changes or requests to be included in the offer or tender, or three (3) working days before the opening ceremony when the amendment does not affect the submission of proposals or offers.
- q. Notification to bidders that copies of the related documents will be available at the OIG in those situations in which not all the specifications of the goods, works or services to be acquired are included in the specifications.
- r. In the case of construction work projects, bidders will be notified of the date of inspection of the construction work project, which they will attend on a mandatory basis. The failure of the bidders to appear at the compulsory inspection of the construction work project will be sufficient grounds for their disqualification.
- s. Any notice required in preferential laws.
- t. Any certification or special documents that bidders must submit as part of their proposal or offer.
- u. Requirements by current regulations and applicable engineering and safety standards in those cases where the installation of the equipment to be purchased is required.

- v. Also, the following warning shall always be included: "Notification of the award of this proposal shall not constitute a formal agreement between the parties. It will be necessary for the corresponding contract to be entered into or for the OIG to issue a purchase order or a contract signed by the authorized person."
- w. Necessary warnings about the use of individual bargaining regarding terms, conditions, quality, solution or prices, or combination of factors, to obtain what is most advantageous to the OIG; the fact that price will not necessarily be the most important factor in the award; the possibility that the award can be made without negotiation.
- x. The warning that all offers and/or proposals submitted must include the details of the price offered: price per unit of the good or service (for each item), costs of transportation, delivery, assembly, warranty, training, maintenance or services, replacements, among others.
- y. Any additional criteria that the OIG deems necessary to include in the instructions.

SECTION 4.3.5 - AMENDMENTS TO THE REQUEST FOR PROPOSALS

Amendments to the request for proposals may only be made:

- a. when the petitioning office or division submits amendments.
- b. when, in the opinion of the Inspector General, or an authorized representative, the terms set forth therein are unreasonable.
- c. when a substantial and insurmountable error is discovered in the specifications.
- d. when it is interested in increasing or decreasing terms or quantities, or varying conditions or specifications; and
- e. when the terms of the invitation or the specifications are challenged.

The OIG Bid Board may amend any solicitation of proposals up to two (2) business days prior to the date set for submission of proposals, where the amendment involves additional changes or requests to be included in the proposal; or, one (1) business day prior to the

date established for the submission of proposals when the amendment does not affect the submission of proposals.

In the case of construction projects, the OIG bid Board may amend any request for proposals up to five (5) business days prior to the date established for the submission of proposals, when the amendment involves changes or additional requests that must be included in the proposal; or, three (3) working days prior to the date established for the submission of proposals, when the amendment does not affect the submission of proposals.

The OIG Bid Board shall notify the bidders called upon to submit a request for proposals the Notice of Amendment. In addition, the Notice of Amendment will be posted on the OIG and/or RUS's website, if necessary. All the amendments will be part of the specifications and those who are interested in bidding will have to consider them when submitting their proposals.

All amendments must be authorized by the OIG Bid Board and approved by the Inspector General, or an authorized representative. All amendments will form part of the Request for Proposals and those interested in participating will need to consider them when submitting their proposals.

SECTION 4.3.6 - PRE-PROPOSED MEETINGS

The OIG Bid Board may convene one or more pre-proposal meetings to clarify doubts related to the request for proposals no less than five (5) business days prior to the date set for the opening ceremony.

SECTION 4.3.7 - REQUEST FOR CLARIFICATION

Proposers may request clarification or interpretation of any RFP requirement as follows:

- a. Within five (5) days prior to the deadline set forth in the solicitation of proposals, potential bidders may request in writing from the OIG Bid Board a clarification or interpretation on any aspect or exception to any requirement set forth in the relevant solicitation documents. The OIG Bid Board, as the case may be, will provide the corresponding responses within three (3) days.
- b. The OIG Bid Board will not respond to verbal requests, except those made at a pre-proposed meeting.
- c. The OIG Bid Board shall post any related clarifications or interpretations on the OIG's website. In addition, it will notify each bidder of such clarification or interpretation individually.

SECTION 4.3.8 - SUBMISSION OF PROPOSALS

Proposals will be submitted by e-mail, unless otherwise instructed, to the OIG Bid Board, on or before the deadline for submitting proposals, in accordance with the instructions set out in the RFP package. In addition, they must be signed by the proposer.

When a bidder or proponent that is not registered in the RUL appears at a request for proposals process and submits a bid or proposal, the OIG Bid Board shall not reject it on the grounds that said bidder is not registered in the RUL. In such a case, the OIG Bid Board will determine whether the bidder is responsible, in terms of moral and economic solvency, to determine whether it can participate in the RFP. As an alternative, it may be given five (5) working days, counted from the opening of the proposals, to submit the required documents to the RUL. In the event that the bidder or proposer does not comply with the determination of the responsible bidder, it will be disqualified.

Any bidder or proponent who is registered in the RUL, who has submitted an offer or proposal and who is not eligible at the time of opening the proposals, will be granted a non-extendable term of five (5) business days, counted from the moment the proposals

are opened, to submit the corresponding information or documents in the RUL. During this period, no award will be made. The OIG Bid Board will be responsible for notifying the bidder or proposer, by telephone call and email, of the term provided to update their records in the RUL. Alternatively, the Bid Board may make a responsible bidder determination to decide whether to remain in the competition or to be disqualified.

SECTION 4.3.9 - MODIFICATIONS AND WITHDRAWAL OF THE SUBMITTED PROPOSAL

Once the proposals have been submitted, the OIG Bid Board may provide the bidder with a reasonable opportunity to submit any price or cost modifications, technical aspects or any other aspect of its proposal that may result from the discussions, once the best and final offer has been requested.

A proposal may be withdrawn by written request to the Board. It must be presented before the opening ceremony. The proposer may not submit a substitute proposal once its proposal has been withdrawn. No bidder may withdraw its bid after the opening ceremony.

SECTION 4.3.10 - REGISTRATION OF PROPOSALS RECEIVED

On the date established for receipt of proposals, the Secretary of the Board shall enter the proposals received in the Register of Proposals Received. The Secretary of the Board shall be the custodian of the registry.

SECTION 4.3.11 - OPENING OF PROPOSALS

The OIG Bid Board will open the bids on the date and time established for this purpose. The opening ceremony will be open to the public and anyone interested may attend it, but the content of the proposals will not be read in public. At the time of opening the proposals, only the identity of the proponents will be announced. All proposals, evaluations, discussions, and negotiations will be kept confidential during the evaluation and negotiation process until the contract is signed. During this period, only the OIG Bid Board

in addition to the Inspector General, or his authorized representative, will have access to the proposals and the results of the evaluation. The Secretary of the Board will be the one who will preside over the opening ceremony and will be responsible for drawing up a record of all incidents within twenty-four (24) hours in which he will certify what happened.

The minutes will have the following information:

- a. number and subject of the request for proposal.
- b. date, time and place of opening.
- c. number of proposals received.
- d. names of the bidders who submitted proposals.
- e. a copy of the attendance record signed by those attending the event must be made part of the minutes.
- f. certification of the person presiding over the opening act, as to compliance with the regulatory provisions concerning said act,
- g. any incident that occurred during the opening ceremony; and
- h. signature of the person who presided over the act.
- i. The opening ceremony of any request for proposals should be recorded.

SECTION 4.3.12 - PRELIMINARY EVALUATION OF PROPOSALS

The proposals will be evaluated in the light of the criteria established in the instructions. The OIG Bid Board may select one or more of the proposals that it considers best serve the interests of the OIG. The OIG Bid Board may negotiate with bidders whose bids are within the established selection margins. A bid will be understood to be within the established selection margin when it complies with the specifications, terms and conditions established in the specifications.

In the process, a Technical Committee, in accordance with the provisions of these Regulations, may assist in the evaluation of any proposal.

SECTION 4.3.13 – SINGLE-PROPOSAL SELECTION PROCESS

When the bid is received from a single bidder, the OIG Bid Board may accept it provided that it conforms to the specifications and the price is competitive and comparable to that prevailing in the market. It may also negotiate the terms of the agreement. If the specifications and price requirements are not met, the OIG Bid Board will reject the bid and must issue a second call for the process. Only in the event of not receiving bids as a result of said call, will the exceptional purchase procedure apply.

SECTION 4.3.14 - MEETINGS WITH PROPOSERS WHOSE PROPOSALS MEET THE ESTABLISHED SPECIFICATIONS

If the OIG Bid Board determines to conduct negotiations, they will be conducted as follows:

- a. No statement made or action taken by the OIG Bid Board shall bind the OIG in any way.
- b. Interested vendors whose proposals meet the specifications of the solicitation will be invited to attend a private meeting with the OIG Bid Board or its authorized representatives to discuss any part of their proposal and answer any specific questions provided in such an invitation.
- c. The extent of the discussions between the OIG Bid Board and the bidder shall be determined by the OIG Bid Board or its authorized representative.
- d. Establish the methods and itineraries to conduct the discussions and control them.
- e. Provide guidance to the bidder on deficiencies in their proposal so that they have the opportunity to satisfy the requirements.
- f. Attempt to clarify any uncertainties related to the proposal, otherwise refine the terms and conditions of the proposal.
- g. Provide the bidder with a reasonable opportunity to submit any changes to its proposal that may result from the discussions.

- h. Keep a record of the date, time, place, and purpose of the discussions and the people who attend them.
- i. After each interview or meeting with any bidder, you will write a minute that will include all the essential elements of the interview or meeting. The minutes will form part of the file of the process.
- j. The bidder will put in writing any verbal clarification to the proposal.
- k. Discussions and negotiations may be conducted as a whole, or in part, through written communications without personal meetings or interviews, at the discretion of the OIG Bid Board. They can also be carried out through any electronic platform.
- l. Oral or written discussions shall not be required in cases where it is determined, on the basis of the existence of complete and open competition, or on the basis of previous experience regarding the cost of the product or service, that the undisputed acceptance of the most favorable initial proposal will result in the best value for the OIG, provided that proposers have been notified in the RFP of the possibility of the contract being awarded without discussion.
 - i. If discussions and negotiations take place, the OIG Bid Board may request proposers, whose proposals comply with the provisions established in the specifications, submit discussions and negotiations for it to be carried out.
 - ii. The OIG Bid Board will keep all discussions and negotiations confidential. No information relating to the proposals, or their evaluations, shall be discussed with anyone other than the bidder who submitted them prior to the award of the contract.

SECTION 4.3.15 - CANCELLATION OF THE REQUEST FOR PROPOSALS

The Inspector General, or an authorized representative, may cancel the solicitation of proposals in accordance with the provisions of these Regulations.

SECTION 4.3.16 - AWARD

The OIG Bid Board will award the responsible proposer whose proposal represents the best value for the OIG.

SECTION 4.3.17 - NOTIFICATION OF AWARD

Once the OIG Bid Board makes the corresponding award, it will notify the final determination by means of a Resolution or Notice of Award. The Resolution or Notice of Award shall be duly notified, by certified United States Postal Service mail with acknowledgment of receipt or e-mail to all parties who have the right to challenge such determination, i.e., to the proponents participating in the process.

The award notification must include:

- a. the names of the proposers participating in the request for proposals and a summary of their proposals.
- b. the factors or criteria that were considered for the award of the proposal.
- c. the defects, if any, of the proposals of the losing proposers; and
- d. the availability and period for requesting administrative review and judicial review.

The OIG Bid Board shall file a copy of the final award determination and the record of the notice. The notification of the award will warn that in the event that for any reason the successful bidder does not appear at the signing of the contract or purchase order, or having appeared at such award, in any way fails to comply with its obligation, the OIG will proceed to award the next responsible bidder, with a responsive offer and best value, and so on.

Once this process is completed, the corresponding contract is granted, or a purchase order is issued. The mere submission of a request for administrative review shall not have the effect of stalling the award.

SECTION 4.3.18 – ADMINISTRATIVE OR JUDICIAL REVIEW

A party adversely affected by a decision of the OIG Bid Board may file an appeal for administrative or judicial review pursuant to Part 5 of these Rules of Procedure upon notice of the bid award.

SECTION 4.3.19 – NOTICE OF ADMINISTRATIVE REVIEW FILING

In the event that an administrative review is submitted to the ASG Review Board, the party challenging the award of the proposal shall notify the OIG and the OIG Bid Board of a copy of the request for administrative review in accordance with Part 5 of these Rules.

SECTION 4.3.20 – FINAL OBLIGATION

Once the RFP award process is completed, the corresponding contract is awarded, or a purchase order is issued. The mere submission of a request for administrative review shall not have the effect of paralyzing the adjudication of the contested request for proposal. The provisions prescribed in Part 6 of these regulations shall be followed.

ARTICLE 4.4 - APPLICATION FOR QUALIFICATIONS (RFQ)

This bidding method may be used for the procurement of specialized goods, works or services, involving highly technical and complex matters, whereby potential bidders are asked to submit their statements of qualifications to participate in a bidding process. This mechanism will consist of a dual process; in the first phase, the bidders or proponents will be qualified; in the second phase, the proposal will be awarded, following the provisions of Article 4.2 or Article 4.3, where only qualified bidders or proposers will receive the invitation to bid or request for proposals. The Inspector General, or an authorized representative, after being duly advised, shall determine whether to use the method of requesting qualifications, in the light of the circumstances present in each particular case.

SECTION 4.4.1 – REQUEST FOR QUALIFICATIONS NOTICE

The Procurement Agent will prepare the RFQ Notice. The call shall be made after the corresponding invitation, or notice has been authorized by the OIG Bid Board. The Secretary of the Board shall send the RFQ Notice to bidders, including those registered in the RUL under the category corresponding to the good or service to be acquired, at least twenty-one (21) days before the deadline established for receipt of the qualification statements. In addition, the Invitation for RFQ will be published on the OIG website.

SECTION 4.4.2 - CONTENT OF THE INVITATION TO APPLY FOR QUALIFICATIONS OR NOTICE OF QUALIFICATIONS

The RFQ Notice will include the following:

- a. RFQ number;
- b. purpose of the RFQ;
- c. date of publication of the RFQ Notice;
- d. date, time, place, and manner (in the case of electronic filing) in which the statement of qualifications must be submitted or submitted;
- e. if it has been decided to hold an orientation meeting, the date, time, and place will be indicated, stating whether the attendance is compulsory;
- f. general instructions;
- g. statement of needs;
- h. nature of work and/or scope of services;
- i. overall performance requirements (if applicable);
- j. evaluation criteria;
- k. selection process, and
- l. any other information that the OIG deems appropriate to include.

SECTION 4.4.3 - CONTENT OF THE STATEMENT OF QUALIFICATIONS

The qualifications statement shall describe the potential proposer's experience in work or services of the same or similar nature as those requested, and shall provide financial or other information, including the potential proposer's ability to obtain such bonds as may be relevant, among other criteria, as requested in the relevant RFQ Notice.

SECTION 4.4.4 - PREQUALIFICATION OF BIDDERS

The OIG Bid Board or a Technical Committee shall evaluate the statements of qualifications submitted by potential bidders in accordance with the evaluation criteria set out in the RFQ Notice. In addition, they will prepare a Summary of Qualifications, which will state the following:

- a. RFQ number.
- b. name of each potential proposer who submitted the relevant statement of qualifications.
- c. indication for the purposes of whether the potential proposer meets the evaluation criteria established in the corresponding qualifications application or qualifications and score notice.
- d. recommendation as to the qualifications of each proposer to receive or not receive the request for proposals; the recommendation should state which potential proponents are qualified and which are not.
- e. date and signature of the person preparing the Summary of Qualifications; and
- f. any other information necessary for the evaluation and selection of qualified bidders.

The OIG Bid Board, or the assigned Technical Committee, shall not be required to determine the qualifications of potential bidders in accordance with the provisions of the Summary of Qualifications but shall have independent discretion as to their determination.

SECTION 4.4.5 - INTERVIEWS WITH POTENTIAL PROPONENTS

The OIG Bid Board may conduct interviews with potential bidders prior to qualification determinations. The interviews will aim to clarify any information provided by the potential proposer in the statement of qualifications.

SECTION 4.4.6- NOTIFICATION OF DETERMINATION OF QUALIFICATIONS DETERMINATION

The OIG Bid Board will determine which bidders are qualified and which are not. It will notify the participants in the qualification application process by means of a Resolution. Notice will be made by certified U.S. Postal Mail Service return receipt or email. The qualification determination shall express the determination of the OIG Bid Board as to which bidders were qualified and which were not, in accordance with the evaluation criteria set out in the Invitation.

SECTION 4.4.7 - SUBMISSION OF THE SPECIFICATIONS AND SUBMISSION OF PROPOSALS

Only qualified bidders may receive the RFP. Qualified bidders shall submit their proposals in accordance with the terms contained in said specifications.

ARTICLE 4.5 - EXCEPTIONAL PURCHASES

Exceptional purchases are all purchases that are exempt from being processed through the competitive methods provided for in these Regulations.

SECTION 4.5.1 - EVALUATION OF EXCEPTIONAL PURCHASES

Any exceptional purchase shall be recommended in writing by the Procurement Agent, or alternate buyer, and reviewed by the Associate Inspector of Administration, an authorized representative, or the Administrative Supervisor, who may recommend exceptional purchases in accordance with the provisions described in Section 4.5.2 of these Regulations.

The Associate Inspector of Administration, or an authorized representative, or the Administrative Supervisor and the Procurement Agent will ensure by any means (inspection, documentary requirement, photographs and videos, certifications, among others), prior to issuing their recommendation and reviewing each exceptional purchase, respectively, that the exceptional circumstances described exist and that it is not a subterfuge to evade the ordinary procedure of acquisition.

The Procurement Agent or the alternate buyer shall certify, under their signature, the means by which they corroborated the existence of the exceptional circumstances set forth.

SECTION 4.5.2 - WHEN EXCEPTIONAL PURCHASES ARE AUTHORIZED

Exceptional purchases may be authorized when:

- a. Minimum prices are set by law or competent government authority, When the price or price range for selling a product is previously established by law or by competent government authority. All OIG procurements must comply with the price or price range previously established.
- b. When the acquisition is made from the Government of the United States of America, any of its States or through its agencies and instrumentalities or departments, quasi-public corporations, their subsidiaries, and affiliates, or from any governmental entity of the Government of Puerto Rico.
- c. When the procurement is made with a foreign supplier whose headquarters is not under the jurisdiction of the United States of America or Puerto Rico.
- d. When a supplier has a contract with the ASG. It will be observed that market circumstances have not changed in view of the prices of the goods, works and non-professional services to be acquired and that the terms of the contract previously granted represent an advantage for the OIG.

- e. When there is only a sole source, and this is evidenced by certification from the manufacturer that the company in Puerto Rico is the exclusive representative of the goods.
 - i. When there is a bidder with a license, patent, certification of exclusive representative, or there is only one potential bidder in the market, the Buying Agent will make the due justification prior to the award.
 - ii. When there is only one (1) bidder registered in the RUL or when there are several registered bidders, but there is only one (1) supplier willing to quote, the Procurement Agent, or alternate buyer will take the necessary steps to identify the suppliers or suppliers not registered in the RUL that provide the necessary good or service and that meet the requirements demanded of bidders from the Government.
 - iii. The exceptional purchase may proceed when the RUL is void and there is only one (1) supplier or supplier in the market that meets the requirements demanded of government bidders. The Procurement Agent, or alternate buyer, must certify in writing that, after having carried out the pertinent investigative steps in the market, he has determined that the entity is the only one that can provide the good, carry out the work or provide the service, as applicable.
 - iv. When an expert service is necessary to meet the needs of the OIG.
 - v. When it is an exclusive supplier, which is necessary for the continuity of the services or goods already acquired.
 - vi. When the purchase represents the best interests to meet the service needs of the OIG and the Government of Puerto Rico.
- f. When there is a situation of public exigency or urgency that generates unexpected, unforeseen and unpostponable needs that require immediate action by the OIG

because the life, health or safety of employees or citizens who visit its facilities is in danger, or because it implies the suspension of the services provided or that they are affected.

- g. When the Governor has declared a state of emergency.
- h. When government property may be damaged, lost, or become obsolete or unusable.
- i. When it is a good or service related to meeting a need and/or ensuring the operation of the OIG's information and operations systems.
- j. When replacement parts, accessories, additional equipment, or supplemental services are needed for equipment that is under contract repair or service.
- k. When it is necessary to acquire goods, works and non-professional services outside Puerto Rico because there are no qualified suppliers in the local market, or the conditions offered in those markets represent a greater advantage than those of the local market.
- l. When all the quotations, offers or proposals received are rejected because they do not comply with the specifications, conditions or because their price is unreasonable, or when it is determined that competition is inadequate to be able to acquire the good or service.
- m. When competition is deemed inadequate after requests for quotations, invitations to bid, or request for proposals have been issued. In the event that no bids or proposals are received after the corresponding opening ceremony has been held, the Associate Inspector of Administration, an authorized representative, or the Administrative Supervisor and/or the Bid Board of the OIG, will issue a second notice for the process. In the event that no bids are received as a result of this call, the exceptional purchase procedure will be conducted. The purchase file must contain copies of the corresponding minutes that prove that no bids were received

in both processes; so that the Procurement Agent, or alternate buyer, can recommend the exceptional purchase process favorably.

- n. When the articles, materials, equipment, works or non-professional services to be acquired are of a specialized nature, or it is desired to purchase a certain type or brand in particular, for the good service proven that units of the same or similar nature have rendered, for the economy involved in maintaining uniformity in multiple units or for superiority in the type and quality of the service that will be obtained in the unit purchased and in its conservation, all of which must be justified in writing in the requisition.

SECTION 4.5.3 – EXCEPTIONAL PURCHASING MECHANISMS

In cases where it is determined to make an exceptional purchase, direct (non-competitive) purchasing will be used, or at the discretion of the Associate Inspector of Administration or an authorized representative, two (2) or more quotes may be requested, regardless of the amount of the good or service to be acquired. Proposals for emergency purchase agreements, purchase orders, or related agreements with an aggregate value of \$10,000,000.00 or more must be presented for the Oversight Board's approval prior to execution, as required by PROMESA and its Contract Review Policy. In addition, all other emergency purchase agreements and orders must be presented to the Oversight Board immediately upon their execution.

ARTICLE 4.6 - OTHER ALTERNATIVE METHODS FOR THE ACQUISITION OF GOODS AND SERVICES

A. Donation

Means by which the OIG acquires a good, a service or a work by an act of liberality and voluntariness of the person who performs it free of charge. Donations will be accepted by the Inspector General, or an authorized representative, if beneficial to the OIG.

The donor shall notify the OIG in writing of the intention to donate and the use or purpose for which the donation is made. If the Inspector General, or an authorized representative, determines that it is not appropriate to accept the donation, it will be notified to the donor, in writing, with the reasons why he did not accept the donation. If it is determined to accept the donation, it will proceed to conduct the established procedure through Administrative Determination, Circular Letters, and/or any applicable issued directive.

B. "Trade-in"

It is used to acquire a new asset in exchange for the delivery of another similar used and previously appraised asset. The appraisal value of the goods that is delivered is credited and the difference is paid in money to the supplier. This modality can also be used in installment purchases. In this case, at the time of purchase, the used good is delivered and the appraisal value is credited to the sale price. The difference can be paid in full or through partial disbursements for pre-determined and agreed amounts for a specific period. Only those goods that have been declared surplus can be given in "trade-in".

C. Exchange

In this type of acquisition, it is allowed to deliver an asset in exchange for another equal or similar in value without other considerations for payment. In some cases, part of the payment can be made with one item and the other part in money. When conducting an exchange, the purpose must be indicated and justified and the assets to be exchanged must be valued.

D. Lease

In cases where the OIG considers the acquisition of motor vehicles, office equipment, or other equipment on a lease-to-own or lease-to-own basis for a fixed term of time, the following must be complied with:

1. The type of lease must be justified in writing, the projected time to lease, estimated cost and express the reasons for this.
2. Request quotes from suppliers in this category registered in the RUL.
3. Bids must be signed by the supplier or its authorized representative and contain the date of the bid, the term by which the supplier is bound to maintain the bid, a description of what is offered and the price, and any other information that the Buying Agent requires for the type of purchase concerned.
4. The written offer can preferably be received by email. They can also be received in person at the OIG.

The maximum term for the lease of motor vehicles will be three (3) months. In case of exceptional circumstances, said term may be extended for an additional term not exceeding three (3) months.

E. Installment Purchases

A form of purchase by which a thing is acquired, which use, and enjoyment is immediately enjoyed and whose payment is made in fixed terms, in parts or in installments. Installment purchases proceed when in the discretion of the Inspector General, or an authorized representative, believe it is in the best interest of the OIG. Such purchases must comply with the requirements of the purchase request, as provided in these Regulations.

ARTICLE 4.7 - CONSTRUCTION PROJECTS

When a construction project is to be carried out using any of the bidding methods, the OIG may request assistance from other agencies with expertise through a collaborative

agreement for the purpose of receiving technical assistance in order to be able to prepare the specifications, the evaluation of bids and/or proposals or any other matter that requires assistance to meet the construction needs of the OIG.

PART 5 - ADMINISTRATIVE REVIEW, AND JUDICIAL REVIEW

The right to revise a procurement award shall operate only in bids or requests for proposals.

ARTICLE 5.1 – ADMINISTRATIVE REVIEW

A party adversely affected by a determination by the OIG Bid Board may request an administrative review pursuant to Section 3.19 of Act No. 38-2017, *supra*.

ARTICLE 5.2 - JUDICIAL REVIEW

A party adversely affected by a final order or resolution of the ASG Bid Review Board may file an application for judicial review with the Court of Appeals, pursuant to Section 4.2 of Act No. 38 – 2017, *supra*.

PART 6 – THE CONTRACT, THE PURCHASE ORDER, AND ITS ADMINISTRATION.

ARTICLE 6.1 – THE GOVERNMENT CONTRACT

The formal bids and requests for proposals of the OIG, once awarded and notified, as well as any other instance that the OIG determines appropriate, will be obligated by contract, in which the requirements imposed by law or the OIG are recorded; including the information of the contracting parties, the benefits and considerations, the specifications, terms and conditions provided for in the instructions, and any other clause.

SECTION 6.1.1 - THE FORM REQUIREMENT IN THE GOVERNMENT CONTRACT.

Sound administrative public policy requires that Government Contracts comply with the following requirements: 1) they must be reduced to writing; (2) a faithful record is maintained with a view to prima facie establishing its existence; (3) a copy be sent to the

Office of the Comptroller as a means of a double record of its granting, terms and existence; and 4) that the certainty of time is accredited, that is, that it has been made and granted fifteen (15) days before [its copy has been sent to the Office of the Comptroller]. OIG contracts will include any clauses required by Puerto Rico (or Federal if applicable) law; A provision required by law, which does not appear in the contract, shall not be a reason for it not to be complied with.

The offer of the successful vendor and the provisions of the bid or RFP package will constitute the basis of the contract between the parties or in the purchase or service order. Together with the other formal requirements of government contracts, they will constitute part of the file. Copies of the purchase orders issued against the said contract shall be attached to this file. For each successful bidder, there will be a contract file.

The complementary documents of the contract:

- a. Original bid or RFP package.
- b. Originals offer awarded.
- c. Copy of the Notice of Award.
- d. Plans and other documents required in the bid or RFP package and conditions of the procedure.
- e. Additional documents necessary for the formalization of the contract such as policies, bonds, etc.
- f. Any appendixes that the OIG determines necessary.

SECTION 6.1.2 – CONCLUSION OF THE CONTRACT

The director of the Petitioning Unit, who will be the person in charge of the contract, must have as a goal that the benefits and considerations are completed within the established time frame. An effective management of an administrative contract is one that achieves: satisfaction on the part of the user of the good, non-professional service or work (for which

it is recommended to carry out interviews or satisfaction surveys), limited changes or modifications to the contract; zero claims or disputes; costs within the budget without increases; a complete record of all transactions in the purchasing cycle; Zero instances of fraud or early detection of conflicts. In addition to the person administering the contract, the Administrative Supervisor or the OIG Finance Officer is responsible for carrying out pertinent verifications before remitting payment, a double check is made that all obligations on the part of the supplier have been completed, that the contract is still in force (that it has not expired), that the inspection or evaluation sheets have been delivered and accepted, that the invoices and documentation required for payment comply (pre-intervention), if there was cancellation or termination, verify that the applicable steps were followed and verify the presence of the applicable signatures. Inadequate performance will be the cause for the termination of the contract and will also be grounds for requesting their removal from the RUL or not being called in the future to participate in OIG acquisitions. In the event that a contractor fails to comply with a contract, the contract administrator has the responsibility to document the breaches committed in the file.

ARTICLE 6.2 - PURCHASE ORDER

In informal purchases, in exceptional procurement, including emergency procurement, or when stipulated in a master contract or multi-year contract, the purchase order shall be the instrument that reflects the obligations between the suppliers of goods, construction works or non-professional services and the OIG. The contents of this instrument shall be defined by the Inspector General or an authorized representative in internal guidance. In addition, the Inspector General, or their delegate, shall authorize all purchase orders, except those resulting from a process conducted by the OIG Bid Board. The invitation to quote with its instructions and the award communications will be filed together with the purchase order. Purchase orders may supplement a master contract to define quantities

and mode of delivery, provided that the contract stipulates. Purchase orders will include any clauses required by law.

PART 7 - FINAL PROVISIONS

ARTICLE 7.1 - INTERPRETATION

The OIG and the Inspector General reserve the right to make an interpretation of the contents of this document for the purpose of tempering it into the practice of the agency's operations and public policy. Similarly, this Regulations replace any of the previous rules, guidelines and circulars related to the aspects covered therein and that are contrary to what is expressly established herein. This Regulation is adopted in both Spanish and English. In the event of any conflict or discrepancy between the two versions in terms of interpretation or application, the Spanish version shall take precedence.

ARTICLE 7.2 - REPEAL

This Regulations repeals Regulation No. 9352, entitled "*Regulation of Purchases of Goods and Acquisition of Non-Professional Services, Bids and others, of the Office of the Inspector General of Puerto Rico*", of December 22, 2021.

ARTICLE 7.3 – SEPARABILITY CLAUSE

If any part, section, or provision of these Rules is held to be void, such declaration of invalidity shall not affect the remaining parts, sections, or provisions of these Rules.

ARTICLE 7.4 - VALIDITY

These Regulations shall enter into force thirty (30) days after the date of their filing with the Department of State.

Approved in San Juan, Puerto Rico, today _____, 2025.

Ivelisse Torres Rivera
Inspector General