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Government of Puerto Rico

Commonwealth of Puerto Rico
OFFICE OF THE COMPTROLLER
San Juan, Puerto Rico

REGULATION 33

REGISTRY OF CONTRACTS OF THE OFFICE OF THE COMPTROLLER OF THE COMMONWEALTH OF PUERTO RICO



July 2, 2024

Commonwealth of Puerto Rico
OFFICE OF THE CONTROLLER
San Juan, Puerto Rico

**REGISTRY OF CONTRACTS OF THE OFFICE OF THE
COMPTROLLER OF THE COMMONWEALTH OF PUERTO RICO**

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Commonwealth of Puerto Rico
OFFICE OF THE CONTROLLER
San Juan, Puerto Rico

Regulation 33

33-00-04

**REGISTRY OF CONTRACTS OF THE OFFICE OF THE
COMPTROLLER OF THE COMMONWEALTH OF PUERTO RICO**

Article 1. LEGAL BASIS

This Regulation is enacted in accordance with the requirements of Article 3 of *Act No. 18 of October 30, 1975 (Act 18)*, as amended. Article 1 of *Act 18* requires all entities of the Commonwealth of Puerto Rico to keep a registry of all contracts entered into, including their amendments. In addition, a copy must be forwarded to the Office of the Comptroller of the Commonwealth of Puerto Rico (Office) in a timely manner and in accordance with the conditions set forth in *Act 18*.

Article 2. PURPOSE

This Regulation is implemented to establish the rules and procedures by which all entities must abide to ensure compliance with the provisions of *Act 18*, including the rules and procedures of the Office as to the management of its Registry, the verification of registered data, and the issuance of certified copies in accordance with legal requirements.

Article 3. SCOPE

The *Regulation* apply, with no exception, to the entities of the three branches of the Commonwealth of Puerto Rico, that is, the executive, legislative, and judicial branches, including public corporations and their subsidiaries, municipalities, special municipal corporations, and labor development areas, among others.

The Registry of Contracts is an indispensable mechanism to ensure transparency in government contracting and to encourage citizen oversight.

Article 4. DEFINITIONS

For purposes of this *Regulation*, the following terms are defined:

Application:	Electronic register of contracts created by the Office to allow entities to register and forward their contracts.
Comptroller:	Comptroller of the Commonwealth of Puerto Rico.
Contract:	Written document in which one or more persons or entities consent to provide something or some service related to public funds or public property. A contract also includes deeds, agreements, amendments, supporting documents, contract terminations, regardless of how they are titled. In addition, any other document whose registration is required by the Comptroller.
Exempt contract:	Contract whose copy does not need to be forwarded to the Office. Its registration is still required, as set forth in this <i>Regulation</i> .
Interagency contract:	Contract between entities that agree to provide something or some service in relation to public funds or public property.
Entity:	Includes government entities and municipalities.

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Government entity:	Includes any department, agency, instrumentality, board, commission, administration, office, and any other entity of the Commonwealth of Puerto Rico, as well as any public corporation, its subsidiaries, or any government entity that has its own legal responsibility, created by law or to be created in the future, with no exception whatsoever.
Municipal entity:	Refers to the municipalities of the Commonwealth of Puerto Rico (including special municipal corporations) and the labor development areas, or any entity that may be created in the future, with no exception whatsoever.
Date of execution:	Day, month, and year of signature by the last signatory.
Effective date:	Term between the dates of commencement and termination of the contract. The start date cannot precede the date of execution.
Public funds:	Monies, securities, bonds or obligations, stamps, internal revenue or outstanding debt statements, and any other assets of the same nature belonging to or held in trust by any agency, corporate entity, or legislative body. This includes all allocations of funds from the federal government.
Principal officer:	Officer occupying the highest hierarchical position in the entity's management.

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Just cause: Circumstance or set of circumstances that justify an act that departs from—or may even enter into conflict with—a standard provision.

Memorandum of understanding: Agreement between public or private entities formalized to express common objectives which produces binding but not legally enforceable commitments between the parties.

*This definition is an interpretation provided by Office to be exclusively used in matters pertaining to the Registry of Contracts.

OCR: Optical Character Recognition (text scanning including automatic character identification).

Liaison officer: Public officer or public employee designated by the principal officer to register and forward contracts to the Office.

Office: Office of the Comptroller of the Commonwealth of Puerto Rico.

Public property: All personal and real property owned by the entities and acquired by donation, confiscation, purchase, transfer, assignment, or other means.

Extension: Additional term requested by an entity to register a contract, including any term granted by the Comptroller for just cause.

Register: To enter the data required in the application.

Registry of Contracts: The Office's Registry of Contracts, which is of public nature.

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Internal registry of the entity	Registry containing all contracts and documents executed by the entity.
To forward:	To submit a digital copy of contracts or documents required to the Office through the application.
Objections:	Electronic notification sent to active liaison officers of the entities to report that a contract was registered or forwarded using incorrect or incomplete information.
Professional service:	Services centered on intellectual, creative, or artistic work, or on highly technical or specialized skills.

Article 5. NON-DISCRIMINATION CLAUSE

The Office's policies prohibit any type of discrimination banned by law. For the purposes of this *Regulation*, any term used to refer to a person or position shall be understood to be devoid of any reference to gender.

Article 6. RESPONSIBILITIES OF THE PRINCIPAL OFFICER

The principal officer is responsible for all contracts entered into by the entity, even if this responsibility is delegated to an authorized representative. The principal officer must ensure that:

- a. all contracts comply with all legal requirements;
- b. all contracts are in written format;
- c. all contracts are entered into the internal registry of the entity;

- d. all contracts are registered and a copy forwarded to the Office, as provided in *Act 18*;
- e. a copy of the contract is given to the contractor;
- f. designate in writing one or more liaison officers and notify the Office by the means established by the Comptroller; and
- g. inform the Office of any changes in liaison officers.

The principal officer of each entity is responsible for ensuring that all public officers and public employees involved in the entity's contract process receive a mandatory training related to government contracting process offered by the Office and maintain its current certification.

Also is responsible for submitting to the Office an annual sworn statement stating that, during the fiscal year that ended, they complied with the provisions of *Act 18*. In addition, must also forward any other certification required by circular letter.

The designation of a liaison officer does not release the responsibilities as a principal officer.

Article 7. RESPONSIBILITIES OF THE LIAISON OFFICER

The liaison officer is responsible for registering and forwarding contracts through the application. In addition, they resolve any contract objections in coordination with the principal officer or their authorized representative and address any other related matters.

Article 8. REGISTRY OF CONTRACTS

The Registry of Contracts must be a reflection of the entity's internal registry, except for the contracts excluded from registration.

Any contract, and any amendment, agreement, decision, record, or terminating action, must be registered in the internal registry of the entity. This includes contracts listed in this *Regulation* as exempt from being forwarded to the Office.

The Office maintains the Registry of Contracts application for entities to register and forward their contracts, ensuring transparency in government contracting and promoting citizen oversight. Contracts are available to the general public on the Office's website.

8.1. Data to be registered

The liaison officer must register the following data through the application:

- a. **Contract Number** - This number consists of the four digits of the fiscal year of the contract start date, followed by the sequential number in ascending order, starting with number one (up to a maximum of six digits, of which the first three can be alphanumeric). Amendments bear the same year and registry number assigned to the contract and are identified with one letter, starting with the letter A, as assigned by the application. The Comptroller, or her authorized representative, may establish a different numbering method if circumstances require it.
- b. **Contractor's name and email address.**
- c. **Social Security or Employer Identification Number** - Nine-digit number.
- d. **Date of execution** - Day, month, and year of signature by the last signatory.
- e. **Effective date** - Includes the start date and termination date of the contract. Contracts with automatic renewal or an indefinite term are

not accepted. To renew or extend a contract, an amendment must be made to that effect prior to its expiration.

- f. **Amount** - Includes the total amount to be paid or received as set forth in the contract. Contracts that do not specify an exact amount, because services or goods are contingent in nature or quantity cannot be determined with precision, require an estimated amount for registration purposes as well as to amend it prior to its expiration.
- g. **Budget line** - Account from which disbursements will be made, including the source of funds (state, federal, proprietary or pooled). Any change after registration in the budget line must be recorded in an explanatory document kept in the contract file.
- h. **Category and type of service** - Type and manner in which the contracted services are described¹.
- i. **Prior authorization or waiver** - Whether approval, authorization, or waiver is required from any government entity, prior to its execution.
- j. **Contracting form** - Indicates the manner in which contractor was selected: competitive bid process, includes the bids awarded by the General Services Administration of the Government of Puerto Rico, request for proposal (RFP), request for qualification (RFQ), request for quotation, among others.
- k. Any other information that the Comptroller requires to be registered.

¹ https://contraloriadigital.ocpr.gov.pr/assets/pdf/Codigos_Categoria_Tipo_Servicios_Rev.pdf

8.2. Documents to be forwarded

Entities forward true and accurate copies of all contracts, which must contain the signatures of the parties. Contracts entered must be fully written using a word processing program, except in extraordinary situations, at the Comptroller's discretion. In addition, the contract to be forwarded must be scanned through an OCR tool and converted into PDF.

Among others, the following documents are forwarded:

- a. Change orders for projects and construction works. These are registered as amendments.
- b. Interagency contracts, as provided in this *Regulation*.
- c. Deeds for the acquisition or disposal of real estate.
- d. Any other document forming part of the contract.



Article 9. CONTRACTS EXEMPT FROM BEING FORWARDED

- a. Contracts that require registration but do not require a copy to be forwarded to the Office:
 1. Professional health and medical service contracts entered by entities whose main purpose, as established in their organic law, is to provide medical services. This excludes ambulance and laboratory services, which must be forwarded.
 2. Contracts from federally funded low-income rental housing programs.
 3. Any other contract at the Comptroller's discretion, upon written request by the entity, if there is just cause. In these cases, the entity sends, through the Registry of Contracts application, a copy of the

communication from the Comptroller authorizing the exemption from forwarding a copy of the contract.

- b. Contracts exempt from forwarding a copy must be available at the entities to be audited by the Office.

Article 10. CONTRACT REGISTRATION AND FORWARDING PERIOD

Registration and forwarding must take place within 15 consecutive days upon execution of the contract or amendment, subject to the following exceptions:

- a. The period of 15 consecutive days is extended to 30 consecutive days if the contract is executed outside Puerto Rico. The contract will be understood to have been executed outside Puerto Rico when it is signed by all the appearing parties or by the last signatory outside Puerto Rico.
- b. The Comptroller or her authorized representative may extend the period of 15 consecutive days or 30 consecutive days, whichever applies, for an additional 15 consecutive days if an entity requests an extension through the application and demonstrates just cause. The request must be submitted within the contract forwarding period, either 15 or 30 days, whichever applies.
- c. An entity that requires additional time to the established in subparagraph b may request an extension by written communication to the Comptroller or her authorized representative, provide it is for just cause. The Comptroller or her authorized representative determines whether or not to authorize it.
- d. In the event of an extraordinary situation, the Comptroller or her authorized representative may extend the contract registration and forwarding period without prior request from any party. Please note that

these circumstances must be such that they may delay the forwarding of contracts and may not necessarily be attributed to the entity.

- e. Contracts entered by municipalities to allocate contributions to nonprofit corporations pursuant to Article 5.016 of *Act 107-2020, Puerto Rico Municipal Code*, as amended, are both registered and forwarded within 30 days after they are signed.

Periods of 15 or 30 days, whichever applies, ending on a Saturday, Sunday, or holiday, will be extended until the next working day.

These periods do not affect the contract term, so the contractor may provide services from the beginning of the term. However, no services may be paid for until the contract is registered and forwarded to the Office.

Article 11. CONTRACT REGISTRY NOTIFICATION

Upon registration and forwarding of the contract, the application automatically emails a registry notice to the liaison officer and the contractor.

Article 12. CONTENTS OF CONTRACT FILES

Entities must keep the following in their official files, as applicable:

- a. Original contract,
- b. Copies of any other accompanying documents or referenced documents, including any documentation evidencing competitive bid process, conditions, blueprints, and specifications.
- c. Copies of communications confirming authorization or waiver when these are required in order to certify the legal transaction.
- d. Copies of the documents legally required from contractors, including those issued or required by the following entities: the Department of the

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Treasury, the Municipal Revenue Collection Center (CRIM), the Department of Labor and Human Resources, the Department of State, the Child Support Administration, the State Insurance Fund Corporation, and the General Services Administration of the Government of Puerto Rico (GSA).

- e. Affidavit in accordance with the provisions of *Act 2-2018, Anti-Corruption Code for the New Puerto Rico*, as amended, or any other provision required by law.
- f. Public Liability Policy or any other insurance policy required.
- g. Bid, performance, and payment bonds.
- h. Corporate Resolution.
- i. Document certifying that the professional complies with the requirements of their profession, if applicable, issued by the entity in charge of regulating the profession to which they belong.

Article 13. CONSERVATION OF CONTRACT FILES

Entities are required to conserve contract files for a period of six years starting at the end of the contract term. Notwithstanding the foregoing, nothing in this *Regulation* relieves entities of their obligations under any law requiring a longer retention period than the period provided herein.

Article 14. CONFIDENTIAL AGREEMENTS

Agreements granted by the Department of Justice, the Puerto Rico Police Bureau, or the Bureau of Special Investigations to obtain confidential information related to criminal activities, whose disclosure may adversely affect the management or security of service providers, are not required to be registered

or forwarded to the Office. The entity registers these agreements in a separate internal registry, but they must be available to be audited by the Office.

Article 15. INTERAGENCY CONTRACTS

The entity responsible for the disbursement of funds is required to register and forward the contract to the Office. If the contract does not involve a disbursement of funds, then the first party to the contract is responsible for its registration in the Office's Registry of Contracts, as provided in this *Regulation*. Both entities must register the contract in the internal registry of their entity.

Article 16. MEMORANDUMS OF UNDERSTANDING

In drafting a memorandum of understanding, government entities must carefully analyze and evaluate whether the document entails a disbursement of funds or the creation of legally binding obligations. If so, the document must be considered a contract and not a memorandum of understanding, therefore subject to registration.

Memorandums of understanding do not involve the disbursement of funds and are not considered interagency contracts. Therefore, need not be registered nor forwarded.

Article 17. CONTRACT DATA VERIFICATION

The principal officer is responsible for the registered data to be truthful, legal, and accurate. The Office does not validate contracts; however, it may verify the data of the contracts in the Registry of Contracts. If any discrepancies are identified, an objection is notified.

Article 18. CONTRACT WITH OBJECTIONS

- a. The liaison officer is notified of any contract objections. The contract is included in the Office's Registry of Contracts with the objection classification until the issue is resolved.
- b. Entities have 30 consecutive days to resolve the objection as of the date of the email notification.
- c. After a formal audit, entities that fail to address or resolve the objections may be subject to findings. In the case of repetitive situations, the principal officer may be referred to the Office of Government Ethics of Puerto Rico, among others, due to failure to comply with their responsibility.

Article 19. EXECUTED CONTRACTS CERTIFICATIONS

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At the close of each fiscal year, by September 30, the principal officer of each entity must submit, through the *Annual Certifications of the Office of the Comptroller* application or by any other means determined by the Office, a sworn statement of the total number of contracts awarded during that year and of their compliance with the provisions of *Act 18*.

Each quarter, the principal officer of the entity submits to the Office a certification attesting that all contracts or amendments executed during the previous quarter were registered in the Registry of Contracts.

In addition, the principal officer must comply with any other certification that may be required by circular letter.

Article 20. REQUEST FOR A CERTIFIED COPY

At the request of an interested party, the Comptroller, or her authorized representative, issues a certified copy of any contract forwarded to the Registry of Contracts. The request may be made by letter, email, or in person. All

certified copy requires the payment of internal revenue stamps, based on the number of pages requested, calculated in accordance with the provisions of the *Law of March 12, 1908*², as amended.

When a state, federal, or municipal government official or court requests a certified copy for official use, the tariff is waived.

Article 21. GENERAL PROVISIONS

- a. Contracts subject to registration at the Office must clearly and conspicuously state the following: "No benefit or consideration under this contract may be required until it is submitted for registration at the Office of the Comptroller, pursuant to the provisions of *Act No. 18 of October 30, 1975*, as amended."
- b. No contract may be amended after its expiration. All amendments must be executed before the contract expires and will be prospective in nature.
- c. Entities are prohibited from making any contract payment without first registering the contract in the Registry of Contracts.
- d. In compliance with *Act 243-2006* and Section 6109 of Title 26 of the *United States Code*, the Office may not disseminate, display, or disclose, for purposes not permitted by law, the Social Security Number and Employer Identification Number included in the contracts forwarded to the Registry of Contracts. Such numbers shall be made illegible if copies of the contracts are provided to any natural person or legal entity³.
- e. Contracts not considered subject to registration and forwarding to the Office:
 - 1. Those related to personnel transactions, such as: appointments (including fixed-term appointments), promotions, demotions,

² This law was not enumerated when it was passed.

³ All entities must comply with these laws by making the federal Social Security Number and the Employer Identification Number illegible when issuing copies of contracts registered in their entities.

temporary transfers, interim appointments, and the granting of wages differentials, as well as any other transactions related to the mobility or remuneration of public officials or public employees.

2. Purchase orders.
 3. Tax exemption decrees.
- f. Digital signatures and electronic signatures are accepted in government contracting processes. This, according to the regulations approved for such purposes by the *Puerto Rico Innovation and Technology Service (PRITS)* in accordance with the authority conferred by *Act 148-2006, Electronic Transactions Act*, as amended.

Article 22. CIRCULAR LETTERS

From time to time, the Comptroller enacts circular letters to ensure proper compliance and implementation of the provisions of *Act 18* and to clarify or establish additional requirements to those contained in this *Regulation*. These must be complied with no exception whatsoever.

Article 23. SEVERABILITY CLAUSES

- If a court of competent jurisdiction renders any article, provision, or sentence of this *Regulation* null and void, all other provisions set forth therein shall remain in force.
- The provisions of this *Regulation* shall amend any rule or instruction included in the manuals, standards, procedures, or instructions previously approved by this Office if they are inconsistent with these newly approved provisions, until such time as they are revised.

Article 24. REPEAL

The provisions of this *Regulation* repeal *Regulation 33: Registry of Contracts of the Office of the Comptroller of the Commonwealth of Puerto Rico*, dated December 8, 2020, approved by the Department of State on December 9, 2020, under registry number 9239.

Article 25. EFFECTIVE DATE

This *Regulation* shall become effective 30 consecutive days from the date of their filing with the Department of State, pursuant to the provisions of *Act 38-2017, Uniform Administrative Procedure Act of the Government of Puerto Rico*, as amended.

Approved in San Juan, Puerto Rico, this July 2, 2024.


Yesmín M. Valdivieso
Comptroller