

(H. B. 2443)

**(No. 194)**

(Approved August 17, 2002)

**AN ACT**

To amend clause (a) of subsection (2) of Section 15 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” to increase from twenty thousand (20,000) dollars to fifty thousand (50,000) dollars the amount up to which the Authority may acquire goods and services without requiring competitive bidding.

**STATEMENT OF MOTIVES**

The empowering Act of the Electric Power Authority, Act No. 83 of May 2, 1941, as amended, establishes in Section 15, that every acquisition of goods and services, except personal services, shall be made through a competitive bidding process. The provision of law establishes exceptions, since the bidding process does not adapt to every acquisitive situation.

One of the exceptions established is based on the estimated cost for the acquisition or work. At present, clause (a), subsection (2), of the said Section 15, establishes that competitive bidding shall not be required when the estimated amount for the acquisition or work does not exceed twenty thousand (20,000) dollars.

The twenty thousand (20,000) dollar limit was established in 1980, that is 22 years ago. At present, the acquisition value of this sum has dropped substantially. The inflation levels and the considerable decrease in the value of the dollar have had the negative effect that the goods and services that can be acquired under the exception provided in said clause (a), subsection (2), are lessened.

It is undeniable that the bidding process in a public corporation such as the Electric Power Authority is a very complex one. This means that the acquisition of goods and services of less value, viewed as part of the acquisitive macrocosm of this enterprise, should be more agile and efficient. It is necessary that in a technical and complex government entity such as the Electric Power Authority, certain supplies and services of less value may be acquired through a speedy and simple process. This would be possible by following the internal procedures of the Authority to expedite the purchasing and contracting process, and at the same time, guarantee the straight-forwardness of all procedures for the acquisition of supplies and services. This will represent a saving of time, efforts, and resources.

Pursuant to the above, clause (a) of subsection (2) of Section 15 of Act No. 83 of May 2, 1941, as amended, is hereby amended. Through this amendment, which increases the limit through which goods and services may be acquired to fifty thousand (50,000) dollars without requiring competitive bidding, the statute is adjusted to the reality of the present time. Furthermore, we acknowledge the flexibility that this public corporation needs to operate promptly and efficiently in the acquisition of those less costly goods and services, which is essential for its proper performance.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Clause (a) of subsection (2) of Section 15 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” is hereby amended to read as follows:

“Section 15.-

(1) ...

(2) Competitive bidding shall not be necessary:

a. When the estimated amount for the acquisition or work does not exceed fifty thousand (50,000) dollars.

b. ...”

Section 2.- This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 194 (H.B. 2443) of the 3<sup>rd</sup> Session of the 14<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend clause (a) of subsection (2) of Section 15 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” to increase from twenty thousand (20,000) dollars to fifty thousand (50,000) dollars the amount up to which the Authority may acquire goods and services without requiring competitive biddings,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 13<sup>th</sup> of August of 2004.

Elba Rosa Rodríguez-Fuentes  
Director