

LAFOURCHE PARISH GOVERNMENT PURCHASING POLICIES AND PROCEDURES

The mission of Lafourche Parish Government Department of Finance is to develop and implement sound procurement practices in accordance with executive policy and legislative mandates, and to provide quality and timely services to the public entities and vendor communities. In keeping with our mission, we are offering basic information to assist you in preparing and processing purchasing documents. This was developed for use as a working tool. Lafourche Parish Government Finance Department assume no risks that may result from the use of this information and does not warrant the current effectiveness, since the world of procurement is ever changing. Your assistance is sought wherever clarification or corrections may be in order. The information contained in this manual is in no way all-inclusive. Purchasing Officers must have a working knowledge of the Procurement Rules and Regulations, and all applicable executive orders and statutes governing procurement. ***Nothing contained herein shall be construed to amend or override any statute, rule, regulation, policy or procedure of the State of Louisiana, or the provision of any document used in any competitive procurement. It is offered only as a guide in making Procurement decisions.*** The Lafourche Parish Government may amend any information at any time to ensure compliance with all governing procurement directives, policies, rules and regulations, and statutes. Our internal policies should complement these guidelines and may be more stringent or require additional approval(s) than the guidelines offered.

State and local government entities must follow various laws and rules when expending public funds to make purchases. The objective of the Public Bid Law is to increase the public's confidence in the government's ability to contract for the construction of public works and purchase goods and services for the best price and to ensure that all persons who are involved with the procurement are treated fairly.

These procedures define the authority, responsibilities, and procedures to be followed by Lafourche Parish Government Departments in the purchase of material, supplies, and equipment and describe procedures for public works contracts and professional and non-professional services. This guide should be used as a resource in providing information and direction to ensure compliance with state and local purchase laws, policies, and procedures.

Ethics Statement

All public purchasers are required to adhere to the ethical standards for public servants. Care must be exercised to avoid impropriety. The Code of Governmental Ethics can be found by searching under Legal Info/Louisiana Law Search/La. R.S. 42:1101-1170 [or by searching the Louisiana State Legislature website at <http://www.legis.la.gov/Legis/LawSearch.aspx>](#).

What is the Public Bid Law? The Public Bid Law is the set of laws that govern contracts for public works and the purchase of materials and supplies by public entities that meet certain thresholds requirements called the “**contract limit**” (minimum). This is \$30,000 for materials

and supplies, and \$154,450 for public works. The purpose of the public bid law is to ensure that public entities receive the best possible prices when using public funds for the procurement of materials and supplies or public works.

Understanding The Louisiana Public Bid Laws and Updates

As a public agency, Lafourche Parish Government is obligated to follow the **Louisiana Public Bid Law R. S. 38:2211 (A) (11)**. The Louisiana Public Bid Law is applicable to all political subdivisions and all locally elected public officials.

Public Works

The law applies to contracts for **public works, by public entities, using public funds**.

Public works, as defined in R.S. 38:2211(A) (12), includes any contract for the erection, construction, alteration, improvements, or repairs of any public facility or immovable property owned, used, or leased by a public entity. These contracts also include labor and materials.

“**Operation**” was **deleted** from the definition by Act 655 of the 2012 Regular Session, effective 8/1/12.

For public works the law becomes applicable when the total cost of a project (including labor and materials) exceeds \$154,450. Contract limit is subject to an annual increase per the Consumer Price Index. The new contract limit is set annually on February first of each subsequent year.

The Legislative Auditor recommends that for any public works valued at \$154,450 or less, be administered through a Request for Proposal (RFP) process or solicit no fewer than three (3) quotes or even bids all though the statute does not require them to be bid.

Public entities through their employees may undertake contracts for public works projects costing less than the contractual limit. All materials and supplies used in the construction must, however, be purchased in accordance with the Public Bid Law pursuant to R.S. 38:2212.1. **R.S. 38:2212(N)**

All contracts for public works by public entities must use the Louisiana Uniform Public Work Bid Form established by the Office of Facility Planning and Control.
R.S. 38:2212(B)(2).

Design Build for public works contracts are prohibited. La. R.S. 38:2225.2

Use of Force Account: Can I do it myself?

Jobs valued at less than the contract limit (currently \$154,450) may be done by force account, using regular employees. All materials and supplies used in the construction must, however, be

purchased in accordance with the Public Bid Law pursuant to R.S. 38:2212.1 and La. R.S. 38.2212 (N)

To determine if your job is under the contract limit (currently \$154,450) you add together the cost of all materials that will go into the job, the wages and benefits which will be paid to the employees used in the project, the cost of supervision and overhead, and the rental value of the owned equipment which will be used on the job.

Public entity may provide labor necessary for **maintenance** of public works once constructed without seeking bids. R.S. 38.2212 (U)

Construction Manger prohibited from managing project as a general contractor or acting in role as general contractor. La R.S. 38:2212 (L) (1).

Public works projects of **\$50,000 or more** require the use of **state licensed contractors and subcontractors** as per **LA R.S. 37:2150 et seq.**

Public works contracts of **\$5,000 or more** must be reduced to writing.

Public works contracts of **\$25,000 or more** must be recorded in the official mortgage records of the Clerk of Court office.

Public works projects estimated at **less than the (currently \$154,450)** must be accomplished in accordance with procedures described in this manual. **The lowest, responsive bid/quote meeting all specifications requires approval as per Ordinance 5482.**

Public works projects estimated in the amount of contract limits (currently **\$154,450**) or more require public advertising and sealed bids. **The lowest, responsive bid meeting all requirements requires Parish Council approval.**

All contracts for public works by public entities must use the Louisiana Uniform Public Work Bid Form established by the Office of Facility Planning and Control. R.S. 38:2212(B)(2).

Under no circumstances shall there be a division or separation of any public work project into smaller projects (splitting) if the division or separation would have the effect of avoiding the requirement that public work be advertised and let by contract to the lowest responsible and responsive bidder. **R.S. 38:2212(V)**

Act 759 clarifies that only the apparent low bidder is the only bidder is the only one required to furnish other information within 10 days of bid opening. It clarifies that the Affidavit (see below) and the (E-Verification Form are among these document required Under the new law, if apparent low bidder fails to submit any of the “other information” required in the Bidding Documents within 10 days’ period, that bidder shall be disqualified. And the public owner can choose to award it to the next lowest bidder. The next lowest bidder will have 10 days to turn in the “other Information”. The process can continue until all bidders are exhausted.

Requirements of Contracts

Any contract requiring the cumulative expenditure of \$15,000.00 or more annually shall be approved by council by resolution. (See Ordinance No. 5482)

All departments and divisions of the parish government are affected by this section. (see Ordinance No5482)

Contracts for materials, supplies, or equipment that will be needed in partial deliveries through the fiscal year must be purchased through a **requirements** contract based on the estimated value of that commodity to be purchased during the fiscal year.

This will apply to acquisitions such as **sand, gravel, gasoline, culverts** and all commodities needed in small but recurring quantities during the fiscal year.

Certain commodities with volatile prices such as a gasoline may require the use of an index price (such as OPUS) to establish a price that adjust with market conditions. Competition between bidders is a based solely on the **margin over index price** which the bidder offers.

Cost Plus contract arrangements cannot be used in public procurement.

R.S. 38:2212 (A) (3) (f) permits limited allowances in proposals for hardware, face brick, landscaping, electric light fixtures and carpeting.

Materials & Supplies

The law applies to **purchases of materials and supplies.**

This **includes** equipment, vehicles, supplies, and all other movable property.

It **does not apply to services**, professional or otherwise.

The law **does not apply to pure leases**, but does apply to any lease where there is an opportunity to obtain title at any time such as the typical lease purchase.

R.S. 38:2212.1 (A) sets forth the monetary threshold for bidding:

Purchases less than \$10,000 but greater than \$2,000, should as a part of good public purchasing policy, obtain no fewer than three (3) written, e-mailed, or faxed quotes. Quotes must be noted and/or attached to the purchase requisition.

Purchases **between \$10,000 and \$30,000 are governed by statute and require no fewer than three (3) written, e-mailed, or faxed quotations** on the same specifications and documented in the procurement file. Written or faxed/emailed quotes are suggested for best results. If a quote,

other than the **low quote**, is accepted, a detailed explanation stating the basis of the purchase decision must be noted and/or included or attached to the purchase requisition.

For purchases **exceeding \$30,000**, the procurement must be advertised and awarded to the **lowest responsive and responsible bidder** based on timely received sealed bids.

All necessary repair and service work not included in a current maintenance contract requires a purchase order.

All computer and computer related equipment must be reviewed by the Parish's Information Technology Department **prior** to being purchased.

Lafourche Parish Government has no existing agreements for rental of equipment.

Requisitioning Procedures

All purchases requiring a purchase order, employees must submit a completed purchase requisition in MUNIS.

Purchase requisitions should be submitted **daily** to the Finance Department by **3:00 P.M.** to ensure issuance by the **next business day**.

All information on the purchase requisition should be **complete** before submitting it to the fund accountant. Please include all pertinent information in the description field. Make sure all quotes are noted and attached. Failure to do so could result in the purchase requisition being rejected.

Employees may not requisition for personal items.

When the request is completely received in MUNIS, the claim voucher is noted as follows: "Received by: John Doe mm/dd/yy. This must be attached to the shipping receipt **prior** to forwarding to the Finance Department. **Original claim voucher forms must be forwarded to the Finance Department daily/weekly.** A copy is to be maintained by the department submitting the requisition.

All outstanding purchase orders must be processed within **thirty (30) days** after date of issuance. A written explanation must be submitted to the Finance Department for all outstanding purchase orders exceeding the thirty (30) day processing limit. **Failure to comply will result in cancellation of the purchase order.**

General Purchasing Information

As a public agency, Lafourche Parish Government is obligated to follow **Louisiana Public Bid Laws as per LA R. S. 38:2211et seq.**

Purchases less than \$10,000 but greater than \$2,000, should as a part of good public purchasing

policy, obtain no fewer than three (3) written, e-mailed, or faxed quotes. Quotes must be noted and/or attached to the purchase requisition

Anyone placing an unauthorized order is violating the Parish's purchasing procedures and may incur personal financial responsibility. The Finance Department will not process invoices of unauthorized purchases without approval from the program director, department head, or Parish Administrator being **duly noted on the invoice**. Failure to do so will result in a written request for corrective action so the paperwork may be processed accordingly.

All purchases, contracts, and expenditures with a cumulative expenditure of \$15,000 or more are required by Ordinance 5482 to go before the Council for prior contract approval.

Inspection tags for vehicles or equipment **do not** require a purchase order. The invoice for the tag must include the following documentation: the vehicle or equipment number, fund number, signature of the employee processing the vehicle for inspection, and the appropriate approval signature. [Example: Roads & Bridges #103/Drainage #104/Head Start (H/S) #130]. These invoices must be sent to the Finance Department in a timely manner.

All vendors must furnish Lafourche Parish Government's Risk Management Department with a **certificate of insurance**. All vendors making deliveries, providing services, or performing any type of work on Lafourche Parish Government property are **required** to have adequate insurance coverage. All insurance questions shall be directed towards the Risk Management Department.

Purchase order amendment forms are required for purchases exceeding the purchase order amount by **\$2,000**. Change orders must be done on the **purchase order amendment form** signed by the supervisor, and director.

All **original invoices and statements** must be mailed to the Lafourche Parish Government Finance Department.

Claim vouchers must be forwarded **daily/weekly** to the Finance Department.

If a purchase order needs to be **voided**, please write **VOID** on the purchase order and email or send the voided purchase order to the Finance Department.

Sole-source or Proprietary items shall require detailed documentation from the requisitioning department or will be rejected due to not justifying the purchase and ensure the vendor's charge is both reasonable and customary. The justification of sole-source or proprietary purchases must be noted on the requisition when dealing with one of the following circumstances:

A product or service can be obtained from only one person or firm.

Competition is precluded due to existing patent rights, copyrights, secret processes, control of raw material, or other such conditions.

The product is for electric power or energy, gas, water, or other utility services where it would not be practical to allow a contractor, other than utility company, to work upon the system.

The procurement is for technical services in connection with assembly, installation, or servicing of equipment of a highly technical or specialized nature.

The procurement is for replacement parts or components in support of equipment specifically designed by the manufacturer.

The procurement involves construction with a contractor working on-site as per the existing purchase order, and hiring another contractor would not be feasible.

State contract purchases may be made from state procurement contracts, if available, without the necessity of bidding as per **LA R.S. 39:1702**.

State contracts through local dealer purchases may be made from state procurement contracts, if available, without the necessity of bidding and may be bought through a local vendor selling the **exact same product** as per **LA R.S. 39:1710**.

Services Professional, or Otherwise

LA R.S. 38:2310(7) defines **professional services** as those services performed by an architect, engineer, or landscape architect. Political subdivisions are not included in the definition of “agency” under **LA R.S. 38:2310(1)** and are not included under the requirements of **LA R.S. 38:2312**.

All other professional services not included above do not fall under professional services for purposes of the public bid law; therefore, these services **do not** require a bid.

Political subdivisions are using RFP’s and RFQ effectively in cases where bids are not required, such as contracts for professional services, insurance, lease contracts, and energy conservation contracts. *However, the Legislative Auditor recommends that for any services the governmental entity use a RFP/RFQ process or solicit no fewer than (3) three quotes.

Emergency Exceptions

Yes, exceptions exist for (2) two types of emergency situations: emergency and extreme emergency. The purchase of materials or supplies in the case of an extreme public emergency shall be governed by the provisions of R.S. 38:2212(D), which is now R.S. 38:2212(P). R.S. 38:2212.1(K) ***However, get with the OEP Department to make sure all proper FEMA requirements are followed.***

What is an emergency?

An emergency is an unforeseen mischance bringing with it destruction or injury of life or property of the imminent threat of such destruction on injury.

An emergency may also be the result of an order from any judicial body to take and immediate action which requires construction or repairs absent compliance with the formalities of the Public Bid Law, because there is not sufficient time to follow the advertising requirements as provided in R.S. 38:2212.

For a municipally owned public utility, an emergency shall be deemed to exist and the public entity may negotiate as provided by R.S. 38.2212(P) for the purchase of fuel for the generation of its electric power where public entity has first advertised for bids as provided by this part but has failed to received more than one bid.

When is the emergency exception applied?

After the emergency has been certified by the public entity, the Public Bid Law may be waived provide that the notice was given to the public by publishing in the official journal within 10 days of declaring such public emergency.

What special documentation is required for purchases under the emergency exception?

Every contract that is negotiated shall be supported by written determination and finding by the public entity justifying the emergency.

If contract action is taken pursuant to telephone or other oral offers, written confirmation of the accepted offer must be included in the file.

The file of the public entity must contain:

- 1. A minimum of the description of the work to be performed**
- 2. The name and address of each offer quoting and**
- 3. The performance time and terms of each offer.**

If a quote lower than the accepted quote are not accepted, reason for rejection must be in the file. Records must be kept a minimum of 6 years.

Extreme Emergency Requirements are the same as for emergencies listed above.
R.S. 38:2211(A)(5)(b) - 38:2212(P)

Bids and Request for Proposal/Quotes/Qualifications

Funds must be budgeted for the purchase/project before the first advertisement.

All bids and RFPs/RFQ must be reviewed and approved by program director or department head, advertised, and opened prior to requesting Council approval.

All budgeted purchases or services of \$15,000 or more require the Council's approval.

For purchases **exceeding \$30,000**, the procurement must be advertised and awarded to the **lowest responsive and responsible bidder** based on timely received sealed bid or bids. Contact the Purchasing Department for policy and procedure prior to beginning this process including all operations of the parish. **This is a requirement of Louisiana Public Bid Law per LA. R.S. 38:2211, et seq.**

All purchases of \$15,000 or more require a resolution to be sent to the Executive Department to ensure a resolution is placed on the Council's agenda. The resolution must stipulate the source of the funding to satisfy the Parish's contractual obligations.

Once approved by the Council, the **lowest bid or service** can be awarded. Notice to Proceed issued and purchase can be made or service performed.

Year-End Closing

Invoices must be submitted on a daily basis.

Purchases made at year-end must be invoiced and paid by the date indicated by the Finance/Purchasing Department year-end memo.

Start planning ahead for your daily and weekly items you might need before the cutoff date

Only necessary items should be purchased at this time.

Items must be received before the last business day of the year.

New Vendor Information (W-9)

The Lafourche Parish Government requires all vendors to fill out W-9 forms.

W-9 forms can be found on the LPG website under Finance Forms and Documents then under Miscellaneous Forms. New vendors are only added upon request. All information appearing on the W-9 must be completed legibly to be added to the vendor list. After the completed W-9 form is returned to the Accounts Payable person it is added to the vendor list. All W-9 forms are scanned into MUNIS.