

**CITY OF ALEXANDRIA PURCHASING DEPARTMENT**  
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**DATE:**            *March 9, 2004*

**FROM:**           *Percy L. Dauzat*  
                      *Senior Buyer*

**TO:**                *All City Departments*

**SUBJ:**             *Revisions To Purchasing Policies and Procedures*

*Attached you will find the latest revisions to the Purchasing Policies and Procedures for the City of Alexandria per Ordinance # 79-2004 which was adopted on 2 March, 2004, as mandated by Louisiana State Statute Title 38:2211-2296.*

*Please take a few moments to read through this new information and if you have any questions please feel free to contact me at 441-6182. The most significant changes are listed on: Page 1, Section F, which pertains to "Open Specifications"; Page 3, Section L, which no longer allows for "Sole Source Purchases", Section M, which pertains to the purchase of computers and computer related items; Page 6, Sections A through H, which govern the monetary thresholds which determine whether items may be obtained through quotes or formal bids, In addition, please see that everyone in you department receives a copy of this information in order to insure that the new guidelines are adhered to.*

*Sincerely,*

*Percy L. Dauzat*  
*Senior Buyer*

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**DATE:** *March 9, 2004*

**FROM:** *Percy L. Dauzat*  
*Senior Buyer*

**TO:** *All City Departments*

**SUBJ:** *City of Alexandria Purchasing Policies and Procedures-Revisions*

*The attached revised version of the Purchasing Policies and Procedures Manual shall be used for the purchase of supplies, materials, equipment, and Public Works Projects by the City of Alexandria.*

*These Policies and Procedures were adopted by the City Council on 2 March, 2004, Ordinance # 79-2004..*

*Sincerely,*

*Percy L. Dauzat*  
*Senior Buyer*

**PURCHASING POLICIES AND PROCEDURES**

**FOR THE**

**CITY OF ALEXANDRIA**

**REVISED AND ADOPTED, 2 MARCH, 2004**

I.  
STATEMENT OF POLICY

- A. The Purchasing Department for the City of Alexandria shall have general administrative authority over all purchases for the City, unless otherwise authorized by the Purchasing Manager. These responsibilities shall include, but shall not be limited to, the acquisition of prices for materials, equipment, and services, through quotations or competitive bid procedures, as well the actual purchase of the bid items from the lowest priced, most qualified, most responsible bidder in accordance with City policy.
- B. The City of Alexandria operates under the guidelines as set by Louisiana Bid Law (La. R.S. 38:2211-2296). This document shall govern the purchasing policy of the City of Alexandria including the purchase of materials and supplies and the awarding of Public Works projects for labor and materials.
- C. Under no circumstances shall there be a division or separation of any procurement or public works project into smaller procurements or projects which division or separation would have the effect of avoiding the public bid process.
- D. This policy shall not govern the procurement of services or the purchase of materials and supplies on projects governed by an agency of the Federal Government which provides funding for such projects and requires the use of Federal purchasing procedures.
- E. This policy shall not govern the procurement of services under a request for proposals or the procurement of professional services under a request for qualifications.
- F. As per the requirements of R.S. 38-2212C(2) all bid packages prepared and issued for competitive bidding shall be based upon an "Open Specification". An "Open Specification" insures that you are not arbitrarily excluding product(s) which are equal to or which exceed the quality or performance of the product(s) described in the bid document. References to specific brand names and model numbers in proposals are to be interpreted as descriptive, but non-restrictive, and are used only to indicate minimum requirements for type, grade and quality unless otherwise specified.

I.  
STATEMENT OF POLICY(Cont.'d)

- G. Bid advertisements must appear in the local newspaper that serves as the official journal for the City of Alexandria. The first publication of the advertisement shall not occur on a Saturday, Sunday, or legal holiday. Plans and specifications, if required, shall be available to bidders on the day of the first advertisement and shall be available until 24 hours before the bid opening date.

The provisions and requirements of this Section, those stated in the advertisement for bids, and those required on the bid form shall not be considered as informalities and shall not be waived by the City of Alexandria.

- H. In order to encourage competition, bid packages shall be mailed to all known area vendors or contractors who may be able to furnish the specified items.

- I. Projects which require attendance by bidders at pre-bid conferences as a prerequisite to bid, the date, place, and time of the pre-bid conference shall be stated in the advertisement notices. The Purchasing Department shall make the determination as to whether a bid warrants a mandatory or non-mandatory type pre-bid conference.

- J. No addenda shall be issued modifying plans and specifications within a period of 72 hours prior to the advertised time for the opening of bids, excluding Saturdays, Sundays, and any other legal holidays; however, if the necessity arises to issue an addendum modifying plans and specifications within the 72 hour period prior to the advertised time for the opening of bids, then the opening of bids shall be extended exactly one week, without the requirement of readvertising.

Act 524 of 2003 now provides that if an addendum is issued within 7 days of the bid opening, or if the bid opening is extended, then the public entity shall transmit a copy of the addendum by means of FAX, e-mail, or hand delivery to all prime bidders who received the original bid document.

- K. R.S. 38:2251 relates to preferences for Louisiana products. Agricultural and forestry products grown, manufacture, or processed in Louisiana are entitled to a "mandatory 10%" price preference over products produced elsewhere. Some specific meat, seafood, and produce products are only entitled to a 7% preference. For all other products purchased, the City may choose to allow a bidder offering a Louisiana product, and whose price is within 10% of the low bid to receive award if bidder is willing to sell at the low bid price.

There is no preference for vendors located within the State of Louisiana or within the City of Alexandria, only for Louisiana products as defined above.

I.  
STATEMENT OF POLICY(Cont.'d)

**L. The State of Louisiana no longer allows "Sole Source Purchases" even though a vendor or manufacturer furnishes written documentation stating they are the sole source provider or a particular item or service.**

**M. RFP(Request for Proposal) may be utilized in instances where bids are not required, such as contracts for professional services, insurance, copying services, lease contracts, and energy conservation contracts.**

**The procurement of telecommunication or data processing equipment, systems, software, and related services shall be done by public bid or by means of an RFP(Request for Proposal). An RFP has the advantage of allowing the vendor to do much of the engineering or planning that may be required with complex systems and allow you to use evaluation factors other than price in making the award.**

**Departments who wish to purchase Computers and/or Computer Related Items (i.e. Software, Scanners, Printers, etc.) shall first contact the City of Alexandria Information Systems Department. It shall be the responsibility of the Information System Department to make the final determination as to the brand, model, quantity, and type of equipment to be purchased.**

**N. Projects other than those specified above which involve public works projects as well as projects which require engineering services shall be given to the Capitol Projects Coordinator for review prior to inception.**

**O. Each bid submittal shall be either hand delivered by the bidder or his agent in which instance the deliverer shall be handed a written receipt, or such bid may be sent by registered or certified mail with a return receipt requested. The City of Alexandria shall not accept or take any bids, including receiving any hand delivered bids, on days which are recognized as holidays by the United States Postal Service.**

**P. Bids shall be opened in the City of Alexandria Council Chambers located at 915 Third Street, Alexandria, Louisiana as per the date and time specified in the bid document and in accordance with State Law Requirements. Bids that do not arrive at the designated place by the appointed time cannot be considered and shall not be opened. They shall be marked with the time received and returned to the bidder unopened. Sealed bids mus be opened and read aloud if feasible.**

I.  
STATEMENT OF POLICY(Cont.'d)

**Q. Evidence of agency, corporate, or partnership authority shall be required for submission of a bid to the City of Alexandria. The authority of the signature of the person submitting the bid shall be deemed sufficient and acceptable if any of the following conditions are met:**

**The signature on the bid is that of any corporate officer listed on the most current annual report on file with the Secretary of State, or the signature on the bid is that of any member of a partnership or partnership in commendam listed in the most current partnership records on file with the Secretary of State.**

**The signature on the bid is that of an authorized representative of the corporation, partnership, or other legal entity and the bid is accompanied by a corporate resolution, certification as to the corporate principal, or other documents indicating authority which are acceptable to the City of Alexandria.**

**R. Contracts may be awarded in emergency situations without advertising for bids. Notice of the emergency must be advertised in the local official journal within 10 days after declaration. An emergency condition is defined by State Law as situation which creates a threat to public health, welfare, safety, or public property such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reason as may be proclaimed by the chief procurement officer; the existence of which creates an immediate and serious need for supplies, services, or major repairs that cannot be met through normal procurement methods and the lack of which would seriously threaten the functioning of the City of Alexandria Government, the preservation or protection of property, or the health or safety of any person.**

**Act 828 of 2003 added "Extreme Emergency" which is defined as a catastrophic event that causes the loss of a quorum to certify an emergency prior to making expenditures to acquire material, supplies, or make repairs necessary to protect life, property or continued function of the public entity. The declaration of an extreme emergency must be published within 10 days of the declaration or as soon thereafter as practicable.**

II.  
PETTY CASH AND LIMITED PURCHASE ORDERS

- A. City departments may make purchases by means of a petty cash system limited to an amount established by the Director of Finance who shall promulgate rules and regulations for the use of said funds and the accountability of the departments using a petty cash system.
- B. ~~Limited Purchase Orders (LPO) may be utilized by City departments for local purchases of \$200.00 or less. The use of multiple LPO's for the same item shall not be allowed.~~

*LPO no longer used*

III.  
PURCHASES OF MATERIALS OR SUPPLIES

The following monetary limits as defined by LSA RS 38:2212 Act 575 of 2003 shall apply to goods, supplies, equipment, vehicles, and all other movable property. It does not apply to services, professional or otherwise.

- A. \$5,000.00 or less shall require one telephone price quotation.
- B. \$5,000.01 - \$10,000.00 shall require a minimum of three (3) telephone quotations with the award being made to the most qualified vendor submitting the lowest quoted price.
- C. \$10,000.01 - \$29,999.99 shall require a minimum of three (3) written or faxed quotations with award being made to the most qualified vendor submitting the lowest quoted price. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received but are rejected, the reasons for their rejection shall be recorded in the purchase file.
- D. Purchases exceeding \$30,000.00 shall be advertised for public bid. The advertisement shall run three (3) times in three (3) different weeks. The first advertisement shall be at least twenty-five (25) days before the opening of the bids..
- E. Act 84 of 2003 raised the threshold for purchase(s) of used or new motor vehicle(s) for conversion into law enforcement vehicle(s) to \$20,000.00.
- F. Act 84 of 2003 also authorizes the purchase of any road maintenance or improvement equipment up to \$25,000.00 without being advertised and let out for bid.
- G. The City of Alexandria shall not be allowed to procure materials, supplies, and equipment from Federal General Services Administration supply schedules.
- H. Act 515 of 2003 authorizes purchases from GSA for "Homeland Security" subject to prior approval from the "State Office of Homeland Security", purchases shall be made only from a Louisiana Distributor, and use of the GSA competitive ordering procedures must be adhered to.

III.

PURCHASES OF MATERIALS OR SUPPLIES(Cont.'d)

- I. As per La. R.S. 39:1702, purchases may be made from State Procurement Contracts for items which have been bid and awarded by the State of Louisiana. La. R.S. 39:1710. When a local governing authority purchases an item at the state bid price through a local vendor, the local governing authority may pay to the local vendor the costs for shipping, preparation, and delivery of the item, provided that these costs shall not exceed the state bid price by seven percent (7%) on purchases up to Ten-Thousand Dollars(\$10,000.00), five percent (5%) on purchases over Ten-Thousand Dollars (\$10,000.00) and up to Twenty-Thousand Dollars (\$20,000.00), and three percent (3%) on purchases over Twenty-Thousand Dollars (\$20,000.00).
  
- J. As per La. R.S. 33-1321, purchases may be jointly made with other political subdivisions or from a contract bid and awarded by another Louisiana public entity as long the awarded vendor consents. This is known as a "Piggy Back Purchase."
  
- K. The provisions of this Section shall not apply to the City of Alexandria purchasing surplus materials and supplies from another public entity or the government of the United States.
  
- L. The provisions of this Section shall not apply to "Pure Lease Contracts" but shall apply to any lease where there is an opportunity to obtain title at any time which would then be classified as a "Lease Purchase Contract".

IV.  
PUBLIC WORKS PROJECTS

A. Definitions

As used in this document, unless the context clearly indicates otherwise, the following terms shall mean:

(1) "Bidding documents" means the bid notice, plans and specifications, bidding form, bidding instructions, addenda, special provisions, and all other written instruments prepared by or on behalf of the City of Alexandria for use by prospective bidders on a public contract.

(2) "Change Order" means an alteration, deviation, addition, or omission as to a preexisting public work contract.

(3) "Change Order Outside the Scope of the Contract" means a change order which alters the nature of the thing to be constructed or which is not an integral part of the project objective.

(4) "Change Order Within the Scope of the Contract" means a change order which does not alter the nature of the thing to be constructed and which is an integral part of the project objective.

(5) "Contractor" means any person or other legal entity who enters into a public contract.

(6) "Negotiate" means the process of making purchases and entering into contracts without formal advertising and public bidding with the intention of obtaining the best price and terms possible under the circumstances.

(7) "Public contract" or "contract" means any contract awarded by the City of Alexandria for the making of any public works or for the purchase of any materials or supplies.

(8) "Public work" means the construction, erection, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity. This includes remodeling, drainage structures, utilities, etc.. The demolition and removal of a structure or the routine removal of debris may be treated as a service rather than a public work.

IV.  
PUBLIC WORKS PROJECTS(Cont.'d)

(9) "Licensed design professional" means the architect, landscape architect, or engineer who shall have the primary responsibility for the total design services performed in connection with a public works project. Such professional shall be licensed as appropriate and shall be registered under the laws of the state of Louisiana.

B. PUBLIC WORKS PROJECTS SHALL BE BASED ON THE FOLLOWING MONETARY LIMITS:

Public Works aggregating less than \$7,500.00 for labor and materials:

- (1). Public Works aggregating less than \$7,500.00 for labor and materials shall be contracted for the issuance of a purchase order issued by the City of Alexandria Purchasing Department.
- (2). The Administration is hereby authorized the promulgate rules and regulations with regard to the issuance of purchase orders in accordance with this policy.

Public Works aggregating more than \$7,500.00 for labor and materials:

- (1). Public Works aggregating at least \$7,500.00, to include labor and materials, shall be advertised for bid and let to the lowest responsible bidder.
- (2). The advertisement required by this section shall be published in the official journal as follows:
  - (a). When the cost estimate, as supplied by the Office of the City Engineer, is more than \$7,500.00 but less than \$100,000.00 the advertisement shall run once at least ten (10) days prior to the opening of bids. Bids will be opened at the time, place and date set forth in the advertisement. Contract awards shall be made within thirty (30) days of the bid opening.
  - (b). When the cost estimate, as supplied by the Office of the City Engineer, is more than \$100,000.00 as specified by Louisiana State Law, the advertisement shall run three (3) times in three (3) different weeks. The first advertisement shall be at least twenty-five (25) days before the opening of the bids.

IV.  
PUBLIC WORKS PROJECTS(Cont.'d)

Utilization of City Employees for public works projects:

- (1.) Projects valued at less than \$100,000.00 may be done by using regular city employees. To determine if the total for a specific project is less than \$150,000.00, a total project cost must be determined prior to initiation of the project to include materials, employee wages and benefits, the cost for supervision and overhead, and the rental value of the owned equipment which will be required for the work.
- (2.) Once the project is completed, the City may provide labor necessary for maintenance of the public works project (R.S. 38:2212(l)(1)).

C. ALTERNATES

- (1.) A proposal shall include no more than three alternates. An alternate bid by any name is still an alternate. Alternates, if accepted, shall be accepted in the order in which they are listed on the bid form. Determination of the low bidder shall be on the basis of the sum of the base bid and any alternates accepted. However, the City of Alexandria shall reserve the right to accept alternates in any order which does not affect determination of the low bidder.

D. CHANGE ORDERS

- (1.) All public work contracts shall contain provisions authorizing the issuance of change orders within the scope of the contract.
- (2.) All change orders shall be in writing.
- (3.) "Change Order Outside the Scope of the Contract" means a change order which alters the nature of the thing to be constructed or which is not an integral part of the project objective.
- (4.) "Change Order Within the Scope of the Contract" means a change order which does not alter the nature of the thing to be constructed and which is an integral part of the project objective.
- (5.) Any change order outside the scope of the contract in excess of the \$7,500.00 shall be let out for public bid as provided herein.

IV.  
PUBLIC WORKS PROJECTS(Cont.'d)

H. CHANGE ORDERS(Cont.'d)

- (6.) Any change order pertaining to public work, not required to be put out for public bid, shall either be negotiated in the best interest of the City of Alexandria or let out for public bid. Where the change order is negotiated, the City of Alexandria shall require that said change order be fully documented and itemized as to costs, including material quantities, material costs, taxes, insurance, employee benefits, other related costs, profit and overhead. Where certain unit prices are contained in the initial contract, no deviations shall be allowed in computing negotiated change order costs.
- (7.) If the necessity arises to modify the provisions of an established contract for public works by issuance of a change order, the following steps must be taken:
- 7.1 Change order(s) for less than 5% and Two-Thousand-Five-Hundred Dollars (\$2,500.00) may be executed by the Mayor and a copy of the change order(s) sent to the Director of Finance or his designee.
- 7.2 Cumulative change orders exceeding 5% and Two-Thousand-Five-Hundred Dollars (\$2,500.00), but less than 10% and Seven-Thousand-Five-Hundred Dollars (\$7,500.00), may be executed by the Mayor, notification sent to the appropriate Council Committee in writing, and a copy of that notification sent to the Director of Finance or his designee with a copy of the change order(s).
- 7.3 When cumulative change orders exceed 10% and Seven-Thousand-Five-Hundred Dollars (\$7,500.00), Council approval shall be acquired (re-bid of the project may be necessary), and the change order(s), along with the resulting resolution, must be submitted.
- 7.4 Any change order(s) that causes the project to exceed the authorized budget shall require a budget amendment in conjunction with the change order. At the point of approval, a copy of the budget amendment shall be submitted to the Director of Finance or his designee with the change order.

IV.  
PUBLIC WORKS PROJECTS(Cont.'d)

J. PREFERENCES

- (1.) Louisiana does not have an outright preference provision in our law for public works contracts. R.S. 38:2225 requires that if an out of state bidder is low, a Louisiana bidder may be given the job if the home state of the out of state bidder gives him a preference in his own state, and the Louisiana bidder is within the margin of that states preference for its own state bidders. This is referred to as a "reciprocal preference".

K. BONDS & RECORDATION

- (1.) Act 138 of 2001 brought the Public Bid Law into alignment with the Insurance Code which repealed the requirement that any bond must be countersigned by a Louisiana Licensed Agent. This is no longer required on any of the bonds required under the Public Bid Law.
- (2.) Bonds are required in the following instances:
- A. Section 2216 calls for a Performance Bond (not less than 50% of contracts of \$25,000.00 or more).
  - B. Section 2218 deals with Bid Bonds and other forms of bid security (5% of Public Works).
  - C. Section 2219 tells you about who can write these bonds.
  - D. Section 2214 deals with Payment Bonds (not less than 50% for contracts of \$25,000.00 or more).
  - E. Public Works Contracts of \$5,000.00 or more must be reduced to writing.
  - F. Public Works Contracts of \$25,000.00 or more must be recorded in the official mortgage records of the Clerk of Court.