



LaMATS Purchasing Services is a service of the Louisiana Municipal Advisory and Technical Services Bureau, a wholly owned subsidiary of the Louisiana Municipal Association (LMA).

Procurement in Louisiana

A Guide to Local Government Purchasing and Competition, Including Surplus Property Sales

Developed by the Louisiana Municipal Advisory and Technical Services Bureau (LaMATS) and the Louisiana Municipal Association (LMA), this guide provides instruction, references and best-practices for local government purchasing officers and elected officials.



www.lamats.net/lps

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A Guide to Local Government Purchasing,
Competition and Surplus Property Sales

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- ✓ Planning and Promotion
- ✓ Seeking Competition
- ✓ E-Procurement and Online Reverse Auctions
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- ✓ Aggregating
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In addition to complying with law, procurement activities must be in alignment with city policy.

Procurement officers typically obtain final approval from a supervisor, an official or a mayor before funds can be expended.

Procurement activities are subject to yearly audits required by State law to ensure compliance with State law, ordinances and city policies.

LPS Programs and Electronic Platforms increase efficiency and provide significant cost savings to local government.

This Guide

Fostering efficient competition is key to lowering purchasing costs and providing opportunities to vendors seeking to do business with local government. This guide is intended as an introduction to the competitive process and as a quick reference to Louisiana's purchasing requirements. Interspersed throughout are notes on how LaMATS Purchasing Services (LPS) can assist your agency in meeting competitive and legal requirements for purchasing.

What is LaMATS

LaMATS is the Louisiana Municipal Advisory and Technical Services Bureau, an arm of the Louisiana Municipal Association ("LMA"). Its mission is to provide valuable association benefits and savings, as well as advisory and technical services, to the LMA membership of 305 municipalities and numerous affiliated local government units. These services—all voluntary and many of them at no charge—are developed by and for our members.

In 2018, LaMATS renamed its procurement services programs from "**LaMATS BidBoard Procurement Network**," to "**LaMATS Purchasing Services**" or "**LPS**." Under this new banner, LaMATS continues to assist in the improvement of municipal procurement best practices and efficiencies by providing members a variety of electronic means to streamline bidding of goods and services and to compare quality and prices when bidding is not required.

Who is Responsible for Procurement?

At the local level, each Louisiana municipality or local government agency is responsible for conducting their own purchases in a competitive manner that complies with law. Most municipalities have a designated procurement officer, generally the Town or City Clerk in smaller municipalities, or specified staff members specifically assigned the duty in larger cities. Additionally, buyer duties might be assigned to a public works director, program manager or to a police chief.

In addition to complying with State law, procurement activities must be in alignment with municipal policy. Procurement officers typically obtain final approval from a supervisor, an official or a mayor before budgeted funds can be expended. In many instances, individual solicitations and contracts must be approved by a town's council. Procurement activities are subject to yearly audits to ensure compliance with State law, ordinances and municipal policy.

Procurement questions that require legal interpretations may be referred to a city's attorney. LaMATS, as well as LMA staff, are available to provide technical advice and assistance to procurement officials and to city attorneys when questions arise regarding legal compliance and can direct them to the most up-to-date resources available.

Seeking Competition

One of the best methods to ensure that goods and services are acquired in a cost-effective manner is to create as much competition as possible. Competition helps your agency obtain quality commodities and services at the lowest possible cost. Seeking competition helps guard against extravagance and fraud, while allowing interested vendors a fair and equal opportunity to compete. Organizations that embrace the goals of seeking competition can realize both monetary benefits and product satisfaction from the time, effort and resources required to conduct statutorily required or even voluntary competition. To realize these benefits fully, not only do procurement officials need to be knowledgeable about the requirements and benefits of competitive bidding and offers, but they must take the lead in educating their officials and the employees who utilize the products and services acquired.

Monetary Thresholds and Competition

Louisiana requires that certain types of competitive solicitations occur based on the monetary value of a purchase or the type of procurement involved (see e.g., “Public Works,” **Appendix A**). Louisiana’s Legislative Auditor regularly addresses these thresholds and makes recommendations as to the levels of competition it considers as having satisfied the competitive requirements.

Although there are exceptions (including legitimate sole source purchases, emergency purchases and purchases of services), the broad categories are:

1. Purchases of supplies **under \$10,000**: Require no competitive solicitation although local government is encouraged to adopt policies requiring quotes.
2. Purchases of supplies from **\$10,000 to \$30,000**: At least 3 solicited telephone, fax, email or electronic quotes are required. Telephone quotes are required to be confirmed in writing.¹
3. Purchases of supplies **over \$30,000**: A competitive bid process is required.
4. **Public Works** which exceed the “contract amount:” A public sealed bid process is required.²

Even where a purchase does not require a competitive solicitation, price comparisons or even solicited quotes should, nevertheless, be utilized as a best practice. The key is to adopt strategies that incorporate competition in almost every purchase made.

*Please refer to **Appendix A** for more detailed coverage of the Competition Thresholds that govern the different types of solicitations.*

Sealed Bids

The sealed bid process is the most commonly used competitive process at the local level. Except for data processing technology, mixed bids for product and services, and lower-valued public works projects, “best value” or “request for proposals” solicitations are generally not

¹ R.S. 38:2212.1 was amended in 2018 to specify that quotes may be received by email and through other electronic means. The law was also amended to specify that only telephone quotes have to be confirmed in writing. The new law assumes that fax, email and electronic quotes are already in written form and can be printed out or downloaded.

² The “contract amount” increases periodically and is currently set at \$154,450.

allowed. For municipalities with populations over 10,000, sealed bids must also be solicited through electronic means in addition to advertising in the paper. In addition to acceptance of paper-based bids, electronic submission of bids on a secure platform must also be offered. Municipalities may also designate that bids will be accepted through electronic means only.³

Specifications

The specification document sets forth the standards and requirements that competitors must observe and provides them with information necessary to prepare their bids or offers. Specifications should be clearly written. The document should provide prospective vendors a common standard by which to be measured and provide assurance that vendors will be competing on a fair and equal basis, which should encourage vendors to be responsive and competitive. The specifications should indicate the basis on which the bids and offers will be evaluated and the award made. Preparing responses can be costly to vendors, so qualified firms may be unwilling to go through the work and expense of preparing a bid or offer if critical details of the engagement or the criteria used to select the vendor are not clearly communicated during the solicitation process. Specifications should not be too vague or indefinite, so that competing bidders have enough information to formulate intelligent bids or offers. Specifications also should avoid being unduly restrictive, thereby shutting out or stifling open and fair competition among vendors. With fair specifications, participation in the competitive process may increase, resulting in potential cost savings.

Brand Name

Louisiana allows “brand name” or proprietary specifications when describing a product or supply desired. However, any proprietary specification must also provide for the acceptance of equal or equivalent items. See La. R.S. 38:2212.1(C) regarding the requirements. Using a known model or make as the starting point for specification writing makes the procurement professional’s job easier. Requiring acceptance of bids on products with equivalent specifications helps ensure that price competition occurs.

Awarding Contracts

When competitive bidding is required, the award of the contract is made to the lowest-priced responsible and responsive bidder. In assessing whether a bidder is responsible, a local government should consider factors such as a bidder’s capacity and financial ability to complete the contract, accountability, past performance, reliability and integrity. A bidder must be given notice and an opportunity to be heard before a determination of non-responsibility is made.

Planning and Promotion

To create as much market awareness as possible, municipalities and local governments should carefully plan their solicitations. Thinking ahead to consider where and how to get the best price on all purchases is important; a hasty purchase is an unwise purchase! Strive to know and to fully understand your agency’s needs. Put into place calendaring for regular, periodic purchases and a system of advanced notification when other supplies are getting low.

³ R.S. 38:2212.1(4)(f): Public entities shall have the option to require that all bids be submitted electronically for any competitive bid let out for public bid.

Avoid getting into situations where you are up against deadlines or have run out of a commodity and must, ultimately, settle for higher prices.

Whether using a formal sealed bid process, a reverse auction or simply obtaining quotes, planning and efficient use of resources can help reach as many qualified vendors as possible. If conducted properly, the competition generated will save money for your municipality or local agency.

Keep in mind that a municipality can utilize more than the statutorily required Journal of Record advertisements to attract qualified bidders or offerors. For example, **LPS** can assist any municipality or local government, large or small, reach out to as many qualified vendors as possible, including local, regional or even national vendors if necessary. Utilizing a network that actively seeks vendors who receive advanced notice of your solicitations or purchasing needs will significantly improve your chances of attracting more qualified bids and will save money. Disseminating information about future purchases well in advance of the issuance of a formal solicitation gets the attention of qualified vendors and requires minimal effort through **LPS**. Local government is encouraged to develop links on their public websites to take vendors and the public to the public websites where their pending RFQs or solicitations are posted.

Networking Through LPS

We know that each Louisiana municipality and local government is responsible for its own procurement. The ability to network with others greatly enhances an individual government's ability to compete efficiently while complying with legal requirements, achieving best practices and finding the best deals. As members of the Louisiana Municipal Association, all Louisiana municipalities and affiliated agencies can combine purchasing power through **LPS** services.

LPS facilitates your access to the following services, explained in greater detail below:

- Electronic purchasing services
- Access to vendors who provide government prices or discounts
- Cooperative buying and aggregation of materials and supplies
- Sharing (“piggybacking”) local government contracts
- Procurement policies and procedures best practices
- Advisory and technical support

Mandated E-Procurement Systems

Louisiana law authorizes public sealed bids by electronic means, including cloud-based online platforms, known as E-Procurement systems. This new technology promises to increase competition and convenience but is currently underutilized or used inconsistently by municipalities. Title 38 of the Louisiana Revised Statutes mandates the use of electronic posting and acceptance of electronic bids on all but the smallest local governments until reliable internet and affordable platforms can be developed.

LPS provides your municipality a leg-up into cloud-based online procurement processes by providing the necessary training and assistance as well as access to electronic platforms at no direct or upfront cost to your agency.

Although a municipality may work on its own to conduct an electronic purchase solicitation, working through **LPS** has tremendous advantages. These include:

- **Staff augmentation:** Allow **LPS** to do some of the heavy lifting such as advertising beyond your local journal of record; reaching out to the vendor community to ensure interest and participation (“sourcing”); calendaring and reminders when your solicitation will issue and when returns should be expected; and assisting you in developing and tracking vendor contracts.
- **State-of-the-art platforms:** Document the time and date of receipt of bids; authenticate the identities of bidders; provide a procurement record repository; ensure security of information transmitted; and ensure confidentiality of bids until the time and date established for the opening.
- **Savings:** LPS cloud-based systems require no purchase of software, maintenance or license agreements.

Reverse Auctions

One form of E-Procurement that is now producing results for local government is the online reverse auction purchase process. Although still vastly underutilized at the local level due to the lack of available platforms or expertise, reverse auctions can provide streamlined methods of conducting solicitations and receiving bids for supplies, equipment and materials. Bids are made online by vendors in real time, and each vendor can lower their bid amount during the allotted time. Vendors can be prequalified so that only vendors meeting certain criteria may respond. The municipality conducting the event can monitor the bidding and place its order with the winner as soon as bidding closes.⁴

LPS helps develop standardized policies that give political subdivisions the most flexibility in conducting reverse auctions. As a LMA member or affiliate, **LPS** will assist you in conducting your reverse auctions to help insure the results comply with the law and your town’s quality standards.

Electronic Sealed Bids

Electronic sealed bids currently augment (and should eventually replace) traditional paper-based methods of soliciting and submitting sealed bids.⁵ The ability of buyers to “build” solicitations, to prepare bid responses and to submit bid packages online can save contractors and vendors hundreds or even thousands of dollars in duplication, printing, documentation and delivery costs. The ability of buyers to upload specifications, track those who register an interest in bidding, and to send solicitation changes or addendums online to interested contractors and vendors saves additional time and money and helps insure success.

Electronic sealed bid platforms standardize the bid solicitation and bid receipt processes, while remaining flexible enough for individual customization of bids to specific product lines.

Electronic Quotes

The ability to obtain at least 3 verifiable quotes over the internet for products and supplies that cost below the bid threshold is a relatively recent innovation. **LPS** has teamed with **GovQuote.com** to create **GovQuote LaMATS Edition** especially designed for Louisiana local

⁴ See R.S. 38:2271.

⁵ La. R.S. 38:2212.1(B)(4)(f) provides that public entities “shall have the option to require that all bids be submitted electronically for any competitive bid let out for public bid.”

government seeking quotes pursuant to Title 38. The system can be accessed through the **LPS** website portal, is free and merely requires registration. Quote specifications are entered or uploaded in minutes and are then “published.” Vendors, who have preregistered, or who are registered based on the quote request, receive notice of the RFQ and respond within hours or days. The platform provider is paid an administrative fee of up to 1% of the gross sale by a successful vendor. The agreement to pay is with the vendor so that the local government unit is not responsible. Use of **GovQuote LaMATS Edition** fully documents all requests and responses for your procurement file.

Purchase Programs

Under Louisiana law, small public works projects that cost less than the established contract limit (currently \$154,450.00) are exempt from the bidding requirements of the Public Bid Law. These projects may be solicited through the RFP process or may be negotiated directly with one or more capable contractors. **LPS** facilitates the ability of local government to contract directly with the most capable contractors by ensuring that certain projects are available turnkey—a single price and contractor for product, design services, and installation. Currently **LPS** sponsors an LED Retrofit Program, a Playground Equipment Program and a Sports Lighting Program.

LPS also teams with a financial partner to assist local government through the lease-purchase option and to obtain the lowest interest rates possible. If a lease-purchase is done correctly, time-consuming and expensive approval through the Louisiana Bond Commission is not necessary. Lease-purchase financing is a great option where moveable equipment is being procured and a local government is interested in paying for the purchase over time. Popular items to finance through a lease-purchase include: emergency vehicles, heavy equipment, police vehicles, utility vehicles, playground equipment, sports lighting, LED retrofit products and water meter changeouts.

Contract Shopping

Many regional suppliers and larger chains can offer “group” discounts to local government if the government units are organized in such a way that the offerings are available to a wide base. One of the greatest advantages of working through **LPS** is its ability, with the help of its members, to offer competitive vendor contracts for small purchases. The ability to “shop” network vendor products online to compare products and prices means that procurement becomes much easier and more efficient.

For local Louisiana government, network contracts ensure that purchases under \$10,000 are competitive and prices are the lowest available, even though competition may not technically be required. For purchases between \$10,000 and \$30,000, network contracts provide a valuable source to determine which products best meet the need and to compare/contrast available pricing prior to getting final quotes. Remember, with pre-existing discounts published, the contract price is often the starting point for negotiating lower quotes.

A benefit of network contracts is a municipality’s ability to use the product sources, specifications and prices as a reference when developing specifications for larger purchases that require competitive solicitations and having an active and educated vendor base to respond to online solicitations and requests for quotes.

For Louisiana vendors of products with regional or statewide appeal, network contracts offer a unique avenue to advertise and thus the opportunity to expand their consumer base, to increase sales volumes and profitability.

LPS offers online “shopping” opportunities through its web-based portal. Some vendors listed with **LPS** may already participate in other established networks or cooperatives, or this may be their first venture into government sales. Regardless, **LPS** is dedicated to maintaining only those vendors local Louisiana government units demand and who offer the best values on proven products; maintain websites to facilitate e-commerce; are dedicated to posting their pricing structures; and will respond promptly to local government for information, quotes and bids.

Cooperative Purchasing

At the local level, cooperative purchasing occurs when two or more localities work together to procure commodities or services. The benefits of cooperative purchasing include lower commodity prices (achieved through economies of scale) and lower joint administrative costs. The basic principle behind cooperative purchasing is that common supplies, materials and equipment can often be purchased for substantially less if bought in quantity. Local government can take advantage of cooperative purchasing through R.S. 38:2112.1(F) per Part VII of Chapter 17 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950, R.S. 39:1701 et seq. Local government may also take advantage of cooperative purchasing pursuant to Title 33’s Local Services Law.

Local governments in Louisiana may be confused as to why cooperative purchasing is allowed, while simply joining a commercial cooperative and buying off their contracts is not allowed. The answer is that any governmental cooperative purchase must follow Louisiana’s laws regarding the initial solicitation, advertisement, bidding and contracting, as well as being instituted through agreement of the participants to meet a common need. Commercial cooperatives, many formed to comply with laws of other states, cannot guarantee that Louisiana law has been followed. The most important aspect of cooperative purchasing is that it should be conducted by and on behalf of local Louisiana governmental entities.

LPS assists municipalities and local governments interested in procuring in cooperation with others by assisting in the development of standardized specifications; advertising opportunities as early as possible; and promoting the sponsorship of solicitations that comply with the participants’ municipal policies.

Sharing Government Contracts (a.k.a. “Piggybacking”)

As an alternative to soliciting competition on your own, municipalities and local government may share or “piggyback” on certain contracts by other local governments when ordering the same product, equipment or supplies. Use of these contracts may constitute an exception to the competitive bidding requirements of the law and can save a municipality time and money. In addition to the ability to piggyback pursuant to Title 33’s *Local Services Law*,⁶ local

⁶ AG Opinion 17-0152 reconfirmed that political subdivisions covered by the Local Services Law may agree to share or to allow piggybacking on competitively solicited contracts.

government may also piggyback pursuant to R.S. 38:321.1 which was amended to allow additional piggy-backing opportunities. See Act 510 of the 2016 Regular Session.⁷

LPS facilitates the sharing of contracts through administering a database of existing piggyback opportunities, by documenting that proper certifications and vendor agreements are in place, and by tracking quantities that have already been procured. On the front end, **LPS** can ensure that network members properly leave the door open to piggybacking. For example, if an item is popular or in high demand, **LPS** will encourage municipalities to allow it to help create additional sharing opportunities.

Procurement Policies and Best Practices

Every local government should adopt its own policies and procedures for the procurement of goods and services where competitive bidding is not required by law. Additionally, your municipality should have in place policies that encourage or allow the use of E-Procurement and reverse auction platforms whenever bids, competitive quotes or even price comparisons are required. **LPS** can assist you in determining when E-Procurement and reverse auction processes will help you reach an adequate number of vendors to receive the lowest prices available. **LPS** can also assist you by researching the sources of the products you seek and the price ranges to expect by utilizing certain types of procurement methods.

Lease-Purchase Financing

Financing a purchase through lease-purchase financing is an extremely valuable and flexible tool that local governments can take advantage of. Lease-purchase financing allows payments to be made periodically over a set number of years. Lease-purchase financing, done properly, allows a municipality to buy without incurring “debt” as defined by law and does not require expensive and time-consuming Bond Commission approval.

The lease-purchase finance option is often misunderstood by local government. A “lease-purchase” is not a true lease and is not a purchase method. It is a finance option allowed under law where moveable [personal] property has been purchased. Where the intent is to own a piece of moveable property at the end of the process, then the property must be initially purchased according to the processes allowed by the Public Bid Law.⁸

Beware—additionally, the intent to buy a piece of equipment and finance through lease-purchase financing is not a lease. The underlying purchase must be competitive. The intent of a true lease, which is not covered by the Public Bid Law and is a form of rent, is to pay to use moveable property for a set term only, and to return the property to the lessor-owner at the end of the term. Ownership of the property under a true lease never transfers.

Through a “lease-purchase,” the property is first solicited and purchased by the municipality but paid for by a financier. A contractual lien is then created obligating the municipality to

⁷ The practice of allowing piggyback contracts to occur was codified in the 2016 Legislative Session. Act 510 allows a piggyback contract to occur within one year of bid closing and limits the opportunity to twice the original quantity purchased. Whether a contract is still open or is “viable” does not apply under this additional piggyback method as long as the piggyback occurs within one year of the closing of bids.

⁸ AG Op. No. 00-433 Contracts for lease of equipment that contain an option for purchase of the equipment are treated as “purchases” under the Public Bid Law and are required to be publicly bid if the price exceeds the bidding threshold. A lease-purchase agreement for moveable property properly entered into with a “for profit” financing entity does not require Bond Commission approval. R.S. 38:2319.1 requires only that lease-purchase financing from non-profit entities be approved by the Bond Commission.

relinquish possession and ownership to the financier if the municipality fails to make its payments.

Lease-purchase financing requires the contract to contain a “non-appropriation” clause, meaning the financier cannot require the appropriation of money by the buyer. Only the Bond Commission can approve a credit arrangement where a municipality is required to appropriate funds. A lease-purchase contract also cannot contain a “non-substitution” clause, meaning that a municipality must be free to pay off its contract as soon as possible and cannot be penalized for an early payoff.

LPS started its lease-purchase program to educate its members regarding the rules of lease-purchase financing, the types of moveable equipment that are subject to lease-purchase and to partner with lease-purchase loan institutions that operate ethically, can offer budgeting and cost-benefit analysis free of charge, and operate with the best interests of local government in mind. Because lease-purchase financial arrangements are sold to investors to create tax-free municipal instruments in accordance with Treasury Department regulations, a loan institution sponsored by LPS can offer the lowest interest rates available. Please refer to **Appendix C** for additional information regarding the LPS lease-purchase finance option.

Surplus Property

Selling or disposing of surplus property typically goes hand-in-hand with a new purchase of moveable property. However, Louisiana law does not support “trade-ins,” i.e., relinquishing an old piece of equipment as a credit toward a new piece of equipment. Moveable property must be declared surplus, fair market value must be set and the public at large must be given an opportunity to purchase it through a bid process.

Traditionally, only one method was available to sell moveable property. The local government declared the property surplus, determined a minimum value and placed an ad in the local newspaper that it would accept sealed bids at city hall. Newspaper ads typically have local reach only, and a limited buyer base usually means the best prices will not be obtained provided any bids are received at all.

In 2006 the Louisiana legislature passed a new statute allowing local government to sell moveable surplus property through electronic online auctions and by other online means.⁹ Despite this liberalization, many small local governments with limited resources still have a hard time attracting online auction services to take an interest in listing their surplus property or working to secure for them top dollar.

In response, LPS has created its **LPS-EASi Municipal Surplus Property Program**. The program allows many small and mid-sized municipalities and political subdivisions to join one program which, in a sense, “pools” the surplus property available to attract more buyers on a consistent basis. Once a municipality joins the program it can surplus and submit property for sale by merely transmitting photos and descriptions to the program, which in turn markets the available property online and conducts sale by individual electronic auction, sealed electronic bids or as part of multiple listings of properties by one or more public entities.

LPS assists with valuation of surplus property and ensures that the full sale price is received by the participating public entity. The cost of conducting online sales is paid as a surcharge to buyers, typically a percentage of the total sale price that does not exceed 5% (\$50 per

⁹ See R.S. 33:4711.1

\$1000). Because the LPS program sales are listed and conducted online, the entire process is documented and is easily audited.

Advisory and Technical Services Support

One of the most prominent exceptions to competitive bidding exists in the engagement of services providers including those with specialized or technical skills, expertise or knowledge. In addition, insurance and related products are not always subject to competitive bidding. However, your municipality or government may decide that a competitive quote or proposal process may be in your best interests. **LPS** assists in this arena by referring you to the professionals who can provide the services you seek or by helping you acquire the services through an E-Procurement solicitation that reaches experts on a regional basis.

LPS can also assist your agency by providing advisory and technical services on any purchasing or procurement topic. Consultation to any municipality, local government entity or even vendors who deal with public entities is always free.

Preferred Sources

A variety of vendors provide products or services that are favored by State law. Your municipality may give vendors of such products an advantage even where competitive bidding is required. For example, services provided by Sheltered Workshops (supervised workplaces for physically disabled or mentally handicapped adults) do not require competitive bidding, and local government is highly encouraged to utilize these services. Local distributors may be utilized without the necessity of bidding in certain circumstances or where the product sold is substantially the same as products supplied by vendors on State contracts. Some Louisiana products sold are entitled to preferences where the product is manufactured in Louisiana. **LPS** can assist your municipality in recognizing when to utilize the services of Preferred Sources.

Ethics and Conflicts Education

Municipalities and local governments are required to follow the procurement statutes and the Governmental Code of Ethics, and are encouraged to become certified or to receive continuing education through professional organizations such as the National Institute of Governmental Purchasing (“NIGP”) and its local Louisiana Chapters.¹⁰ By participating with **LPS**, LaMATS is able to award scholarships and assistance to municipal procurement staff to join or train through professional organizations dedicated to ethics and best practices.

Questions/Comments

Questions or comments regarding this guide or its contents may be directed to:

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¹⁰The LMA is a member and supports all Louisiana Chapters of NIGP.

APPENDIX A

Competition Thresholds

Purchases—refers to the acquisition of supplies, materials and equipment

- Annual spend under \$10,000 per item—competitive bids are not required, but best practices dictate price and quality comparisons
- Annual spend between \$10,000 and \$30,000 per item—comparative quotes confirmed by phone or fax required
- Annual spend exceeds \$30,000 per item—sealed bid, reverse auction or piggyback required*

**If available, these items may also be bought off of State cooperative contracts through the Office of State Procurement*

Public Works—generally refers to contracts to construct, build, erect, or make major repairs to, public facilities owned, used or leased by a public entity

- Projected cost exceeds the statutory contract limit (currently \$154,450)¹¹
 - Sealed bid process required
 - Sealed bids can be solicited and received electronically through the use of an electronic platform such as the one provided by LPS
- Projected cost is less than the statutory contract limit
 - The sealed bid process may be used but is not required
 - The project can be let out through competitive negotiation or a request for proposals process

Data Processing Technology—generally refers to the acquisition of computers and software, including online and cloud-based technologies. However, many pieces of moveable equipment, for example self-reading meters and programable devices, may also be considered data processing technology. If the acquisition exceeds \$30,000 then:

- A Request for Proposal (RFP) solicitation is preferred
- A sealed bid or reverse auction process are allowed where vendors are put on notice that RFP procedures will not apply
 - **LPS** can provide the platform to solicit and to receive RFP responses or bids electronically.

¹¹ 2018 amount. The statutory contract amount periodically rises with the rate of inflation.

Appendix B

MODEL ONLINE REVERSE AUCTION POLICY (R.S. 38:2271)

It shall be the policy of the City of _____ to procure through electronic bidding where it is in the best interests of the City and it has been determined that electronic online bidding is more advantageous than other methods.

At the time of developing an online reverse auction event, with the assistance of electronic platform provider LaMATS Procurement Services ("LPS"), the City shall determine:

- 1) If vendors must register before the opening date and time.
- 2) If vendors must be prequalified to place bids.
- 3) The opening date and time and closing date and time.
- 4) The manner of accepting online bids until the bidding is officially closed and that registered bidders shall be allowed to lower the price of their bids below the lowest bid posted on the internet until the closing date and time.
- 5) That bidders' identities shall not be revealed during the bidding process.
- 6) All bids shall be posted electronically and updated on a real-time basis.
- 7) The City shall retain the right to cancel the solicitation if it determines that it is in the City's best interest.
- 8) The City shall retain its existing authority to determine the criteria that will be used as a basis for making awards.
- 9) Any other applicable policy recommended by LPS determined to be in compliance with law and which is recommended to facilitate a successful auction.

Additionally, the following policies shall apply to any electronic online reverse auction event:

- 1) The municipality shall retain the right to cancel the solicitation if it determines that it is in the City's best interests.
- 2) The municipality shall retain its existing authority to determine the criteria that will be used as a basis for making awards.
- 3) The municipality shall retain the right to select the second lowest bidder in the event the lowest bidder is disqualified or is unable to deliver, or the third lowest bidder in the event the second lowest bidder is disqualified or is unable to deliver.

The foregoing determinations and requirements, once made, will be included in the online description of the reverse auction event.

APPENDIX C

LAMATS Purchasing Services Programs

LPS GovQuote Edition—use this online accessible platform to receive three or more verifiable quotes for small purchases under \$30,000.

LaMATS e-Auction Services (EASiBUY)—take advantage of professional consultation and electronic solicitations for sealed bids, RFPs and Reverse Auctions.

Government Capital Corporation—determine if a lease-purchase finance option is right for your anticipated purchase of moveable equipment.

LPS Catalog Contracts—review a variety of contracts with government-discounted pricing available and published for small purchases under \$30,000. Use product and pricing for comparative quotes.

LPS Installation Projects—review the turnkey installation projects available from reputable vendor/contractors for under \$154,450.00.

LPS Piggy-Back Opportunities—review piggy-back opportunities and consult with LPS to determine if an available piggyback is right for your municipality.

LPS-EASi Municipal Surplus Property Program—join a program with statewide and regional reach to submit and sale surplus property online.

APPENDIX D

MODEL RESOLUTION TO ADOPT THE USE OF LPS SERVICES

RESOLUTION TO ENDORSE LAMATS PURCHASING SERVICES (“LPS”) AND REVERSE AUCTION POLICY

WHEREAS, the Louisiana Municipal Advisory and Technical Services Bureau (LaMATS) is a wholly-owned subsidiary of the Louisiana Municipal Association (LMA) and has created *LaMATS Purchasing Services (“LPS”)* to provide electronic and other purchasing services including: 1) Electronic Sealed Bid Solicitations; 2) Electronic Online Reverse Auctions; 3) Shopping Opportunities—pre-negotiated contract discounts on small purchases and public works; 4) Network opportunities for “piggybacking” and joint or multi-use cooperative contracts with other local government entities; and 5) Consulting and advisory services related to purchasing;

WHEREAS, no upfront costs are paid by LMA members and affiliates to participate in **LPS** services;

WHEREAS, *LaMATS* presented a summary of its **LPS** services to [city; town; village] on [date] and provided the Town a **Model Reverse Auction Policy**, where they were well received; and

NOW THEREFORE, BE IT RESOLVED that the [city; town; village] hereby supports and endorses *LaMATS and its LPS* services; has adopted the **LaMATS Model Reverse Auction Policy**; concurs in the creation of piggy-back, joint-use, and multi-use contracts to be made available to other LMA municipal and affiliated membership through **LaMATS** administration of same; and resolves to use **LPS** services, including its electronic platforms, wherever deemed proper and appropriate.

APPENDIX E

MODEL RESOLUTION TO JOIN LPS-EASI MUNICIPAL SURPLUS PROPERTY PROGRAM

LPS-EASi MUNICIPAL SURPLUS PROPERTY PROGRAM MODEL RESOLUTION

Whereas, the Louisiana Revised Statute 33:4711.1 allows for the sale of surplus property by internet auction and other online means;

Whereas, LaMATS, under its LaMATS Purchasing Services Program, has developed the LPS-EASi Municipal Surplus Property Program to allow for the internet auction of surplus moveable property at no direct cost to members and affiliates of the Louisiana Municipal Association;

Whereas, the [City, Town, Village] of _____ will save time and money by joining the LPS-EASi Municipal Surplus Property Program and will receive professional assistance in appraising and selling its surplus properties;

Whereas, the [City, Town, Village] of _____ will receive full value for the surplus property sold, minus any applicable cost of legal advertisement;

Whereas, the purchaser of surplus property shall be responsible for the payment of a 5% administrative fee to the Program prior to the release of the property purchased;

Whereas, LPS-EASi Municipal Surplus Property Program will promptly forward the proceeds from the sale of surplus property to the participating municipality;

Now, Therefore, it is Resolved:

1. The [City, Town, Village] of _____ hereby extends authority to the Mayor, the Clerk and/or the Mayor's designee employed by the city ("Property Manager") to participate in the LPS-EASi Municipal Surplus Property Program where deemed appropriate.
2. The LaMATS sponsored program, in partnership with EASiBUY (eauctionservices.com), offers three (3) online methods to sell property:
 - A. Individual municipality live online auction to be held during a set time period;
 - B. Individual municipality sealed bid electronic auction to be opened on a set date and time; and,

- C. Multiple municipality online listing of various surplus properties where bids are accepted during a defined time period.
3. The Property Manager shall present to the Council the moveable property or properties to be declared surplus, along with the minimum fair market value to be accepted. LPS-EASi is authorized to assist with the valuation of the surplus property at issue.
 4. After declared surplus, and unless the town determines another means of selling is in its best interests, the property shall be referred to the LPS-EASi Municipal Surplus Property Program Coordinator for online sale and collection of sale proceeds. LPS-EASi is responsible for advertising in the municipal journal of record when necessary or required by law.
 5. All property is sold where-is and as-is (no warranties); after receipt of proceeds, all sales are final, and no refunds shall be allowed. The city shall warrant title only to the property which is sold. The city shall receive no less than full value of the surplus property sold minus any cost of placing a legal advertising where applicable. The LPS-EASi Municipal Surplus Property Coordinator shall provide proof of receipt of sale proceeds to the municipality before the municipality releases the property sold to a buyer. LPS-EASi will forward the net sales proceeds to the attention of the property manager with an accounting of same within 5 days of receipt of same.
 6. A surplus property administrative fee of 5% shall be collected from the purchasers prior to releasing the property payable to the program and shall not be borne by the city.

APPENDIX F

R.S. 38:2212.1 PROCUREMENT NEEDS ANALYSIS FORM
WITH SOLICITATION DECISION MATRIX

[developed by LaMATS for LMA members]

Purchase File Number or Reference: _____ [date] _____

[This form can be used to document the purchase file when a decision is being made to buy supplies, materials or equipment that exceed \$500 in cost. **Do not use this form for a Public Works Project.**]

Item(s) and/or description: _____

Estimated cost: \$ _____

Item is classified as [purchase category]: _____

Briefly justify the need for this/these item(s): _____

Anticipated date item(s) needed by: _____

Total Purchase Category Spend to-date: \$ _____

Solicitation Matrix

1. Is the total *category* spend for the item anticipated to be less than \$10,000? Yes No—if **Yes**, then the best practice is to seek multiple price quotes. Please document the price quotes you obtained: 1) _____
2) _____ 3) _____
[GovQuote LaMATS Edition online platform may be used to obtain 3 quotes]
2. Is the total **category** spend for the item(s) anticipated to be more than \$10,000 but less than \$30,000? Yes No—if **Yes**, then Title 38 requires that you obtain at least three quotes by telephone, facsimile, email or other printable electronic means. *[GovQuote LaMATS Edition online platform may be used to obtain 3 quotes]*
3. If receiving quotes by telephone, an offer must be confirmed in writing. You may document the quotes received below and provide an explanation if the lowest quoted item was not chosen:

- 1) \$ _____
- 2) \$ _____
- 3) \$ _____

4. Do you expect or know that the total category spend for the item(s) sought will exceed \$30,000 this fiscal year? If **yes**, then Title 38 requires a competitive bid or a reverse auction. You may also determine if the item(s) sought are 1) available on one of your active, competitively bid contracts; 2) whether a piggy-back contract exists on a competitively bid contract with another agency; or 3) if the item can be found on an existing Statewide contract. [LaMATS e-Auction Services (EASiBUY) allows you to quickly and efficiently place items for competitive bid or reverse auction]

- **If a competitive bid is required**, Title 38 requires that a sealed bid or a reverse auction occur. If the purchase is for computers, data processing or related software, then a Request for Proposals (RFP) process is preferred.
- **If you have an existing contract to buy from**, make sure that the contract is still active and viable.
- **If you are interested in a piggy-back contract**, you may check first with LPS to verify whether if an opportunity is available.
- **If you believe buying off an existing Statewide contract is your best option**, you may check first with LaMATS BidBoard Procurement Network to determine if the item(s) sought can be efficiently and cost-effectively bid to receive a lower price.

Please document by checking off the procurement method you determined to be in your agency's best interest and why. The second square on each line reminds you to ask whether or not the follow-up item was considered.

Sealed Bid _____ **Electronic Means Considered?** _____

Reverse Auction _____ **Reverse Auction Policy in Place?** _____

RFP _____ **Electronic Means Considered?** _____

Piggy-Back _____ **Title 33 Piggyback?** _____ **38:321.1 Piggyback?** _____

Statewide Contract _____ **Electronic Solicitation Considered?** _____

If you have any questions about the purchase process to use, please contact Paul Holmes, paul@lamats.net for guidance. Please place this completed form in the Procurement File to document your purchase process for audit purposes.