



SEWERAGE & WATER BOARD OF NEW ORLEANS

Procurement Procedures Manual

Procurement Procedures Manual

Sewerage & Water Board of New Orleans

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| Responsible Officer | Chief Financial Officer |
| Responsible Office | Purchasing Department |
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Chapter 1: Manual Summary

Mission

The Purchasing Department provides a unified purchasing system that ensures integrity and fairness, with centralized responsibility for support and oversight of solicitation, vendor selection, negotiation, award, contract management, reporting, and emergency event support for the benefit of the Sewerage and Water Board of New Orleans (SWBNO) departments. This includes procuring supplies, materials, and contractual services for all user departments of the SWBNO, of which the Board is the governing authority that may request such services.

This document serves as a reference document outlining all required procedures for compliance with the SWBNO Procurement Policy for the procurement of any items including those items for which federal funds will be utilized to pay for goods, services, or construction for the SWBNO. All procurements in which federal funds are used or contemplated must be conducted in accordance with federal procurement requirements.

The Purchasing Department (Purchasing) works directly with each SWBNO User Department for all procurement related activities. The requesting User Department is responsible for providing technical details including but not limited to the specifications. Purchasing Department is responsible for providing support, all required forms and administration of procurement activities. The Purchasing Department will work with all departments to ensure forms are current and up to date.

Value Statement

- **Accountability** - Taking ownership and being responsible to stakeholders for our actions to preserve the public trust and protect the public interest
- **Ethics** - Act in a manner true to these values to preserve the public's trust.
- **Impartiality** - Unbiased decision-making and action to ensure fairness for the public good.
- **Professionalism** - Uphold high standards of job performance and ethical behavior to balance diverse public interests.
- **Service** - Obligation to assist stakeholders to support the public good.
- **Transparency**-Easily accessible and understandable policies and processes to demonstrate responsible use of public funds.

Legal Requirements

Federal and State requirements as well as Local ordinances, policies and procedures create the legal framework for the Purchasing Department's activities. The primary legal references are included in 2 CFR 200, sections 200.317-200.326 of the Federal Uniform Guidance; Title 38, LA R.S. 38:2211-2296 and Title 33, LA R.S. 33:4084-4085 of the Louisiana State Statutes. This manual provides an alignment of the methods of procurement outlined in these citations. Each chapter outlines the specific step-by-step procedures to ensure that all procurements follow federal, state, and local requirements.

Although reference is made to legal requirements, this manual is not intended to cover all the legal aspects of purchasing, but only to establish the basis for procedures. This manual may not cover all situations but is intended as a guide to address most contracting processes. Departments are encouraged to contact Purchasing if there is any doubt as to the proper procedure to be followed. Any interpretations, determinations or conflicts relating to the application or meaning of any of the procedures contained herein shall be made by the Purchasing director or their designee. Any proposed changes to this document must be submitted in writing to and approved by the Purchasing Director.

In complying with the provisions of R.S. 33:4089 regarding debt limitation, availability of sufficient funds must be certified in the proper account before bids are obtained via purchase requisition process.

Procedures for handling emergency purchases or contracts are provided by state statute and purchasing policies which allow waiver of certain requirements in order to expedite the purchase or award of the contract. Additional information regarding emergency purchases and proper procedures are available on intranet at <http://intranet/training.aspx>.

Chapter 2: Definitions

A+B Bidding – 1. A method of rewarding a contractor for completing a project as quickly as possible. By providing a cost for each working day, the contract combines the cost to perform the work (“A” component) with the cost of the impact to the public (“B” component) to provide the lowest cost to the public. 2. A+B bidding is a cost-plus-time bidding procedure. The low bidder is selected based on a combination of the traditional contract unit price items-based bid (A) and the time component proposed by the bidder to complete the project or a critical portion of the project (B). This method of procurement requires approval from the legislative oversight committee

Addendum – is the form of document used to officially change, add and/or delete information contained within a Solicitation. By issuing an Addendum, the Solicitation itself changes to incorporate the Addendum.

A/E (Architect or Engineer) Professional Services – Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.

Agreement – A legally binding document for the present or future procurement of goods and/or services by the SWBNO. (See also “Contract”, “Purchase Agreement” and/or “Purchase Order”)

Amendment – A change to a professional services contract or scope change to public works contract. Under public work contracts, a change to the scope of the contract which alters the nature of the thing to be constructed or which is not an integral part of the project objective requires an amendment to the contract.

Authorized Dealer – Repairs to equipment and/or parts associated with a specific repair job may be obtained by use of an “authorized dealer”. An authorized dealer is defined as a dealer certified by the manufacturer to sell or perform maintenance on their equipment. This provision does not include the stocking of parts.

Back Order – 1. The portion of an order that a supplier does not deliver at the scheduled time and has re-entered for shipment at a later date. 2. Items ordered but not shipped due to insufficient inventory or some other reason.

Best and Final Offer (BAFO) – A process requested from one proposer or short-listed proposers for their best price(s) for a specific solicitation prior to determining of contract award. Sometimes referred to as BAFO and utilized during the Request for Proposals method of procurement.

Best Value – A procurement method that emphasizes value over price. The best value might not be the lowest cost. Generally achieved through the Request for Proposals (RFP) method. 2. An assessment of

the return that can be achieved based on the total life cycle cost of the item; may include an analysis of the functionality of the item; can use cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.

Bidder – An entity (individual or an organization) that participates in a SWBNO formal bid process.

Bid – The response submitted by a bidder to an Invitation for Bids (IFB)/Invitation to Bid (ITB).

Bid Bond – An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the bidder will not withdraw the bid. The bidder will furnish bonds in the required amount and if the contract is awarded to the bonded bidder, the bidder will accept the contract as bid, or else the surety will pay a specific amount.

Bid Deposit– A sum of money, a check, or other acceptable cash alternative, such as an irrevocable letter of credit or the contractor’s pledge against owned property or against personal assets deposited with the buyer by a bidder, as a guarantee that the bidder will enter into a contract if awarded. May also be in the form of a bond issued by a surety and deposited with a government agency guaranteeing the bidder will not withdraw the bid for a specified period of time, will furnish bonds as required, and will accept a contract if awarded, or forfeit the deposit.

Bid Documentation– A file containing all of the information and records relating to the bid, which may include all of the original bids received, specifications, insurance requirements, addenda, bonds, correspondence, and all other relevant data that may be subject to audit and further review

Buyer – A staff position within Purchasing who is responsible for the procurement activities of SWNBO.

Change Order – A change order is an alteration, deviation, addition, or omission as to a preexisting public work contract, which authorizes an adjustment in the contract price, contract time, or an addition, deletion, or revision of work.

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.

Claim – A formal request for a contract adjustment received from a vendor.

Commodity Agreements/Annual Contract Agreements – Primary or secondary strategically sourced agreements designated for supply of goods or services to the SWBNO that were awarded as a result of competitive bid process. These agreements are for indefinite quantities during a period of time at firm prices or with an established basis for negotiated price changes.

Common Goods and Services – Standard commercial equipment, materials, supplies, and services readily obtainable through conventional commercial marketing channels.

Competitive Request for Quotation (RFQ) – An informal procurement method generally used for small orders under a certain dollar threshold, such as purchase of materials and supplies valued less than \$10,000 and not exceeding \$30,000. An RFQ is sent to suppliers along with a description of the commodity or non-professional services needed and the supplier is asked to respond with price and other information by a predetermined date. Evaluation and recommendation for award is based on the price, quality, delivery, service, past performance, and reliability. Responsive price quotations from a minimum of three qualified vendors submitted in accordance with a request from Purchasing.

Competitive Request for Proposal (RFP) – A procurement method used to solicit proposals from potential providers (proposers) for goods and services. Price is usually not a primary evaluation factor. RFP Provides for the negotiation of all terms, including price, prior to contract award. It may include a provision for the negotiation of BAFOs.

Competitive Request for Qualification (RFQx) – A procurement method used in the qualification stage of the procurement process for services, such as A/E Services. Price is negotiated with the selected vendor.

Competitive Sealed Bid– A formal procurement method for acquiring goods, services, and construction for public use in which award is made to the lowest responsive bid and responsible bidder, based solely on the response to the criteria set forth in the Invitation for Bids (IFB)/Invitation to Bid (ITB); does not include negotiations with bidders.

Conditional Approval – A conditional approval of a change order is issued in writing by the Executive Director or their designee, if the requested change is required to prevent delay to tasks on the critical path.

Conditional Notice to Proceed – Permission to execute up to \$10,000 of work to address an identified Emergency. Conditional Notices to Proceed must be approved, in writing, by the SWBNO Executive Director.

Contract – A legally binding document for the present or future procurement of goods and/or services by the SWBNO. (See also “Agreement” and/or “Purchase Order”)

Contract Administrator: A staff position within Purchasing.

Contract Data Form (CDF) –An internal financial document describing and requesting budget for formally bid projects as described in Chapter 6 within this policy.

Contracting Authority – A person who is authorized to commit funds to a project. Within SWBNO, the Executive Director is the only individual authorized to commit funds to a project. The Executive Director may select a designee(s) to sign off on certain projects should the need arise. The designee(s) must be identified in writing.

Contract Modification Review Committee (CMRC) – An internal review committee who reviews change orders and contract amendments.

Contract Manager – SWBNO employee who manages a professional services contract.

Contract Modification – Any change to a contract, including change orders and contract amendments.

Construction – Construction includes moving, demolishing, installing, building, altering, repairing or improving a structure, facility, road, other improvement, or system according to a plan or by a definite process. Construction consists of the application of any of these techniques to any physical plant facilities such as structures, utilities, excavations, landscaping, site improvements, drainage systems, and roads. Exterior and interior painting of new structures is a form of construction.

Construction Projects – Construction projects are defined by the “Public Work” definition in Louisiana Revised Statute 38:2211(A) (12), includes any contract for the erection, construction, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity.

Construction Review Committee (CRC) – a joint effort of representatives from the City of New Orleans, SWBNO, and representatives of local contractor organizations that determines the percent participation of Disadvantaged Business Enterprise (DBE) required per Public Works Contract. (Representatives include Mayoral – 3, Associated General Contractors of Louisiana, Associated Builders and Contractors of Louisiana, Coalition of Minority Contractors of Louisiana, National Association of Women in Construction)

Consultant – A vendor/independent contractor that provides primarily professional or technical advice.

Contract Number: See Project Identifiers.

Cost and Price Analysis – a Cost and Price Analysis in connection with every procurement action in excess of the [Simplified Acquisition Threshold](#) including [contract](#) modifications per 2 CFR 200.323. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the [non-Federal entity](#) must make independent estimates before receiving bids or proposals.

Cost Reasonableness – A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Cost Reasonable – Where the price for a good or service is determined to be fair and does not exceed what would be incurred by a prudent person through competitive business transactions.

Disadvantaged Business Enterprise (DBE) – A business concern which is at least 51% owned by one or more socially and economically disadvantaged individuals or, in the case of any publicly owned

business, at least 51% of the stock of which is owned by such individuals and whose management and daily business operations are controlled by one or more of such individuals. Like the other groups, this group advocates for policies that support small businesses and provide opportunities for small businesses, it provides technical and financing training, and it produces data on the successes/challenges of Small Disadvantaged Business Enterprises throughout the country.

Economically Disadvantaged Business Program (EDBP) – Internal department whose mission is to ensure that a broad spectrum of local and DBE businesses receive equitable contracting opportunities.

Extreme Emergency – As defined in R.S. 33:4084, including but not limited to fires, storms, floods, and other disasters necessitating major repairs or replacement of equipment and machinery, the executive director or the general superintendent of the Board may purchase the necessary machinery, equipment, and materials and furnish the necessary labor to make all necessary emergency repairs and replacements without the formality of advertising for bids. Such purchases may be made without limitation as to cost and without regard as to the designation or source of the funds collected, invested, or maintained by the Board.

Emergency Change Order – A change order within the terms and scope of the original contract that must be completed to address an immediate public health threat or safety risk. RS 38:2211(5)(a) defines “Emergency” as an unforeseen mischance bringing with it destruction or injury of life or property or the imminent threat of such destruction or injury or as the result of an order from any judicial body to take any immediate action which requires construction or repairs absent compliance with the formalities of this Part, where the mischance or court order will not admit of the delay incident to advertising as provided in this Part. In regard to 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 the public entity has first advertised for bids as provided by this Part but has failed to receive more than one bid.

- **Public safety emergencies** require public safety officials (police or fire) to be called to secure an area. This outreach must be documented for the change order file.
- **Public health emergencies** result in imminent threat of an illness or health condition that poses a substantial risk to a significant number of humans, facilities, or results in permanent or long-term disability, sickness, injuries, or fatalities.

Engineering Estimate – A rough order of magnitude estimate prepared, prior to bids being solicited, by either consultant or Engineering Department staff. Engineering estimates may be used as part of the **Cost and Price Analysis**.

Field Consultant – A contracted person that observes field work at the project site for the Project Manager.

F.O.B Destination, Freight Prepaid: F.O.B stands for Free on Board and indicates the point in the supply chain where the seller relinquishes ownership and the buy accepts ownership of the products

purchased in a specific transaction. F.O.B Destination refers to the legal fact that the seller retains ownership until a claim free delivery is affected. Freight prepaid refers to the legal fact that the seller is responsible for all freight charges. (1) The total cost for freight to destination, shipping and handling charges, etc. shall be included in the bid and shall be included in determining the lowest responsive and responsible bidder. (2) Freight costs not accounted for in the bid documents will not be approved for payment.

Force Majeure– Unexpected or uncontrollable events, including those caused by nature that can impact the contracts price, terms and conditions. These events are not due to contractor negligence and may excuse contractor performance during the events and under certain conditions caused by them. Acts of God or disruptive conditions for which a contractor or carrier will not be held responsible.

Goods and Materials – All property that is not immovable property and includes materials, supplies, equipment, vehicles, software, communication devices and systems, unattached fixtures, and similar items.

Job Number – See Project Identifiers

Non-Professional Services – Non-technical or non-specialized services which do not typically require professional licensure, errors and omissions insurance, or special education or training. For SWBNO purposes, Non-Professional Services are procured by competitive procurements.

Notice to Proceed – An official notice sent to the procured vendor after procurement is complete or a change order is accepted. The Notice to Proceed establishes the start date for the procured services.

Partial Shipment/Delivery– A delivery made against a purchase order or contract which is less than the quantity ordered. May be indicative of a back-order situation or a temporary material shortage.

Personal Services – Technical or unique functions performed by a vendor that is distinctly qualified to render the services. Personal services are of a nature that the SWBNO would consider the vendor’s experience, qualifications and skills to be more important than comparative cost when selecting a vendor. Examples of personal services include translation services, technical editing, technical appraisals, transaction valuation, etc.

Piggybacking - Purchasing done jointly with other political subdivisions or purchase made under a contract entered by another Louisiana public entity of the vendor consents.

Prebid Meeting/Conference – are held, if mentioned in the solicitation documents, during the bid/proposal preparation period. Their purpose is to clarify any concerns bidders may have with the solicitation documents, scope of work and other details of the requirement. Prebid Meetings/Conferences are mandatory if there is required DBE participation.

Professional Services – Highly specialized functions, typically of a technical nature, performed by a vendor that, with respect to the services to be rendered, most commonly a) has a professional license;

b) is licensed by a regulatory body; and/or c) is able to obtain professional errors and omissions insurance. Professional services are of a nature that the SWBNO would consider the vendor's experience, qualifications and skills to be more important than comparative cost when selecting a vendor. Examples of professional services include medicine and related medical services, legal, accounting, and architectural and engineering services.

Project Identifiers:

Contract Number: The contract number is a unique number assigned to projects that are procured through the competitive sealed bid process.

Job Number: The job number is assigned by the Accounting department during the initiation of a project. The job number represents the specific job to which the cost code and cost type are related.

Purchase Order Number: The purchase order number is a unique number assigned to any procurement effort, regardless of cost, by Purchasing. See Purchase Order for more details.

Requisition Number: The requisition number is a unique number assigned to any procurement effort, regardless of cost, by the department. The department is responsible for maintaining a list of requisition numbers.

Vendor Number: The Vendor number is a unique number assigned to each vendor that has entered into contract with SWBNO. This number is assigned by Purchasing. The list of vendor numbers is maintained and accessible by Purchasing.

Invoice Number: The unique identifier utilized for each invoice.

Project Manager – A designated SWBNO employee assigned to manage and provide oversight of a SWBNO project, such as but not limited to design, construction, professional services or maintenance contracts procured for the benefit of SWBNO.

Purchase Agreement – A legally binding written contract between the SWBNO and a vendor containing the terms of a purchase for goods and/or services furnished to the SWBNO.

Purchase Order (PO) – A commercial document issued on a SWBNO Purchase Order form authorizing a vendor to furnish goods and/or services greater than one-thousand dollars (\$1,000.00), to the SWBNO according to stated terms with payment to be made later. A Purchase Order forms a contract when issued by the SWBNO and performed by the vendor. (See also "Agreement", "Purchase Agreement" and/or "Contract"). A Purchase Order includes all Project Identifiers.

Public/Payment Voucher (PV) – An internal financial document describing and requesting payment for small purchases or reimbursements of limited items within the policy threshold.

Request for Qualifications (RFQx) – A procurement method used to obtain statements of the qualifications of potential responders (architect/engineers) to gauge potential competition in the marketplace. Price is negotiated with the most qualified responder.

Responsible Bidder – A bidder who has the capability in all respects to fully perform the contract requirements and whose integrity and reliability will assure good faith performance. Factors

considered in evaluating responsibility may include financial resources, past performance, delivery capability, experience, organization, personnel, technical skills, operations controls, equipment, and facilities.

Responsive Bidder – A bidder who has submitted a bid which conforms in all material respects to the requirements set forth in the ITB, IFB, RFQ, or RFP.

Requisition - is the procedural method by which departments may request the purchase of goods and/or services which require processing by Purchasing, usually because of the dollar value, the nature of the purchase, or the type of goods and services.

Retainage - The amount of money, based normally on a percentage, that is held from the payment of each invoice regarding a public works/construction contract. This amount of money is held as a guarantee that the work will be 100% completed and within the specifications of the project. Generally, the retainage is set at **5%** of the contract value for contracts in the amount of \$500,000.00 or greater. The retainage is set at **10%** for contracts in an amount less than \$500,000.00.

Sole Source Goods and/or Services – Sole source goods and/or services are the only ones that will meet the SWBNO's needs because they are: a) unique (meaning, that their characteristics and functions are such that only the particular goods and services will properly satisfy the SWBNO's needs and all other goods or services will be unacceptable for such needs); b) available only from one source; or c) (inapplicable to purchases that are federally funded) are designed to match others used in or furnished to a particular installation, facility or location. Note: in accordance with LA. R.S. 38:2212.1(c)(2), every bid specification for contracts governed by the public bid law should include open specification language. This means that SWBNO cannot arbitrarily exclude products which are functionally equivalent to a product described in the specifications. Use of sole source designation requires a supporting sole source justification.

Sole Source/Proprietary Justification Form – represents a request from the user department to waive the bid process or limit the specifications to describe a product proprietary to one supplier when no other is suitable or acceptable to meet the need. In the case of proprietary, there is more than one potential bidder because the manufacturer has chosen to sell his product through multiple distributors. A proprietary purchase is considered competitive and the solicitation shall include language indicating the purchase has been approved as proprietary and not invite bids for equal products.

Task Order – Activates a budget and scope that has already been identified within a contract/PO.

Staff Contract Review Committee (SCRC) –representatives from SWBNO who recommend suitable percentage and feasible areas of Disadvantaged Business Enterprise (DBE) participation on Goods and Services and Professional Services contracts. (Representatives include Legal, General Superintendent's Office, Executive Director's Office, Purchasing and Support Services)

User Department –SWBNO department responsible for managing the project, its related contracts, and any recommended changes. Examples of User Departments include but are not limited to Engineering, Environmental, Facility Maintenance, Networks, and Operations.

Vendor – a service provider, contractor, supplier or other entity entering into a Contract, PO or Subcontract directly or indirectly with the SWBNO.

Chapter 3: Responsibilities

Implementation of these Procedures

The Chief Financial Officer (CFO) is the Responsible Officer for this Procedure and has the authority to implement the procedures. The Responsible Officer may develop processes or other supplementary information to support the implementation of this Policy. Such supporting documentation does not require the approval of the Executive Director. The Responsible Officer may apply appropriate interpretations to clarify the procedure provided that the interpretations do not result in substantive changes to the underlying policy.

The Department Heads are authorized to establish and are responsible for departmental processes necessary to implement this procedure.

Revisions to these Procedures

The Executive Director is the Policy Approver and has the authority to approve procedure revisions upon recommendation by the Purchasing Director.

The CFO has the authority to initiate revisions to these procedures. Feedback from other Executive Management team members should be solicited on proposed revisions.

The Purchasing Director has the authority to ensure that these procedures are regularly reviewed, updated, and consistent with other governance policies.

Compliance with these Procedures

The following roles are designated at each department to implement compliance monitoring for these Procedures:

- The CFO is accountable for reviewing the administration of these Procedures.
- The Procurement Department is responsible for implementing these Procedures
- Individual departments are responsible for understanding the content of and following the Procedures.

Noncompliance with these Procedures

Noncompliance with these Procedures is handled in accordance with all applicable Human Resources policies on disciplinary and separation matters.

Chapter 4: Micro Purchases

Legal Reference: 2 CFR 200.320(a).

Details in Chapter 19: Legal References.

Items to be Procured:

- Nonrecurring supplies or services, aggregate dollar amount that does not exceed \$9,999.00
- Must be distributed equitably among qualified suppliers
- May be procured without competitive quotations
- Must be cost reasonable

All procurements which meet the federal definition of a micro-purchase will be procured with use of a Public Voucher (PV).

Guidelines:

The following commodities and/or services are generally sole source or non-discretionary and are to be paid by PV. The list is a general guideline for which the value of **non-recurring** purchases of items or services is equal to or less than \$10,000.00.

- Police details
- Media expenses such as Radio, TV, and Newspaper
- Seminars, Publications, Dues, Subscriptions, Registrations
- Reimbursements to petty cash or individuals
- Workmen compensation claims
- Licenses, permits, and inspection fees
- Travel expenses such as airfare, lodging, per diem
- Court Costs, legal settlements, fees for attorneys and hearing officers
- Postage, Federal express and courier services
- Contributions and donations
- Damage claims
- Business-related meals, catering
- Utility and telephone services
- Towing fees
- Personal Services
- Demurrage charges
- Floral offerings
- Bridge Tolls
- Incidental, non-recurring purchases or commodities and/or services up to \$10,000.00

Purchases of the same commodity or service from a single vendor on the same or successive dates, will be considered as a single purchase in total. Purchases must not be split to avoid the above limits. In addition to this being a violation of the purchasing regulations, frequent small purchases (particularly from the same vendor) may not result in obtaining the best prices.

Departments are strongly encouraged to use Certified Economically Disadvantaged Vendors when two or more such vendors are available for voucher purchases. Listing of available vendors are available through the DBE Department.

Step-by-Step Procedures

Public/ Payment Voucher (PV) Procedure:

1. Draft PV (User Department)
 - a. Obtain a PV Form from Procurement.
 - i. These forms are signed out to individual departments in batches that are signed for in the Procurement Department.
 - ii. User department should track expense to ensure budget availability
 - b. Obtain pricing information for the goods/ services
 - i. This can be via product catalogue, invoice, etc.
 - c. Determine appropriate funding source from discussion with User Department manager or Budget Department
 - i. Need Fund, Organization Code, Activity Code, B/S or Object and Amount
2. Make the purchase and obtain invoice from vendor (User Department)
3. Complete the PV Form (User Department)
 - a. Fill out the PV form with the below information:
 - i. Payee/ Address/ Date
 - ii. Funding source information
 - iii. Date Received/ Qty
 - iv. Commodity Code and Description (Description of goods/ services)
 - v. Unit price/ Amount/ Total
 - vi. Invoice Number/ Date/ Vendor Number/ Job or Project No.
 - b. Leave blank:
 - i. Public Voucher No.
 - ii. Accounting/ Date
 - iii. Purchasing/ Date
 - iv. Expense Budget Organization Charged
 - v. Authorization
 - c. Attach all supporting documentation/ pricing information behind form for review
 - d. Obtain signatures required:
 - i. Requestor
 - ii. Chief or Administrator
4. Route to Accounting for Payment (User Department)

Chapter 5: Small Purchases (Informal Quotes)

Legal Reference: 2 CFR 200.320. Louisiana Revised Statute §38:2212(A). R.S. 38.2241A (1). R.S. 38.2241A (2). R.S. 38:2212(D)

Details in Chapter 19: Legal References.

Items to be Procured:

- Goods and Materials and Non-professional Services
 - Aggregate dollar amount valued at \$10,000 and not to exceed \$30,000
- Non-professional Services
 - Aggregate dollar amount valued at \$10,000 and not to exceed \$50,000
- Construction/ Public Works
 - Aggregate dollar amount valued at \$10,000 and not to exceed \$250,000
 - Projects exceeding \$5,000 shall be reduced to a written contract (R.S. 38.2241(A))
 - Projects exceeding \$25,000 shall require a performance and payment bond and shall be recorded with the Clerk of Court along with the written contract (R.S. 38.2241(A)).
 - When an emergency is deemed to exist (R.S. 38:2212(D)) for the construction, alteration, or repair of any public works and the contract is less than \$50,000, there is no requirement to reduce the contract to writing.
- Professional Services
 - Aggregate dollar amount not to exceed \$15,000

Note: For construction projects **\$250,000 and under**, professional services **\$15,000 and under**, materials, supplies and goods as well as non-professional services **\$30,000 and under**, submission to the SCRC or CRC is **not required**.

Guidelines:

Goods, Materials and Non-Professional Services: These procurements must be made utilizing the informal quote process described below which requires the SWBNO to make efforts to reach out to qualified suppliers and solicit at least three (3) quotes. The SWBNO strongly encourages DBE participation for all goods, materials and non-professional services procurements and should obtain at least one quote from a DBE firm.

Construction: These procurements must be made utilizing the informal quote process described below which requires SWBNO to make efforts to reach out to qualified suppliers and should obtain at least three (3) quotes. The SWBNO strongly encourages DBE participation for all construction projects and should obtain at least one quote from a DBE firm.

Professional Services: Small purchases of professional services include procurements **valued up to \$15,000**. Three quotes are not required but are encouraged.

Step-by-Step Procedures for Small Purchases

1. Determine applicability of existing contracts

- a. If existing contract can be used, then obtain contract number, vendor, and price/quote. Include this information on requisition form
- b. If state contract or piggy-backing can be used, then refer to Chapter 16.

2. Fill out a Requisition Form (User Department)

- a. Assign a Requisition Number
 - i. Requisition numbers are generated within the User Department
- b. Fill out Requisition Form.
 - i. Should contain at a minimum:
 1. Requisition Number
 2. Ship to Code
 3. Deliver to Information
 4. Requesting Person Name and Phone Number
 5. Detailed description of the commodity or service desired
 6. Quantity required
 7. Unit of Measure (*example: Each/Pkg/Case, etc.*)
 8. Unit Price
 9. Amount (*Equals Qty. x Unit Price*)
 10. Additional specifications, if required
 11. Any special requirements that apply
 12. Names and addresses of known sources/suggested vendors
 13. If sole sourced/ proprietary, justification must be provided
 - ii. Determine appropriate funding source from discussion with User Department manager or Budget Department.
 1. Identify Source of funds (federal, State, grant, etc.)
 - a. Including item number, fund code, organization code, reporting category project number and amount
 - iii. Obtain Approval Signatures with date required:
 1. Requisitioning Department Chief Administrator
 - a. Approves the expenditure of funds at this estimated amount for this purchase.
 2. General Superintendent Approval (*If Applicable*)
 - a. Approves the expenditure of funds at this estimated amount for this purchase.
 3. Budget
 - a. Approves funds availability/ budget allocation for purchase.
 4. PDU (*If a grant-funded project*)
 - a. Checks eligibility for reimbursement, confirms grant eligibility and grant compliance. Tracks information captured for capital projects.

5. Purchasing

- a. Verifies that all approvals have been obtained. Determines appropriate procurement method. Purchasing will consult with Legal and Risk Management if necessary, to ensure compliance.

3. Bidding

a. The User Department must:

- i. Determine if need can be met with existing contract or on a state contract; OR
- ii. Provide a scope of work and specifications that are sufficient to allow Purchasing to obtain three (3) quotes on their behalf; OR
- iii. Provide at least three written (3) quotes to Purchasing from bonafide vendors.
 - The three (3) written quotes shall be signed by the vendor and on the vendor's letterhead.
 - Quotes must include the description of the item(s) and quantity requested.
 - One of the three quotes obtained should be from a qualified DBE firm
 - a. If assistance is needed, departments are strongly encouraged to seek support from the EDBP office.
 - b. If a User Department or Purchasing is unable to obtain a quote from a DBE firm, then a written justification should be provided for file documentation.
 - If a vendor provides a "no bid" that is sufficient as one of the quotes.
 - Each vendor must be given the same information, to ensure that quotes are comparable.

4. Evaluation

- a. Purchasing staff will review the requisition and supporting documentation (scope of work/specifications or three written quotes) to ensure all required documentation is provided by the User Department.
- b. Purchasing staff will also review existing contracts and state contracts to determine if need can be met through those avenues.
- c. If during review, the lowest responsive vendors is proposing a substitute material, the User Department must be consulted prior to making an award. Purchasing staff and/or User Department creates a bid tabulation package including the below information:
 - i. Bid tabulation
 - 1. Bidder information
 - 2. Itemized bid items and costs for each bidder
 - ii. Bid Recommendation Memo

- d. Purchasing staff completes a debarment check on all bidders as well as Secretary of State verification (*if applicable*).
- e. Purchasing in consultation with the User Department selects the lowest responsive and responsible vendor by use of a bid tabulation and award recommendation.

5. Awards

- a. **Goods, Materials and Non-Professional Services:** The PO is issued, and it serves as the contracting and funding mechanism.
- b. **Construction:** A contract is executed for public works projects valued \$5,000 and greater. The contract is prepared by Legal in conjunction with an outside notary utilizing the construction contract template requiring the Executive Director signature. To complete the approval process, the following steps must occur:
 - 1. Notary works with contractor to obtain signature on contract, along with payment and performance bond.
 - 2. Contract is sent to Executive Director for signature.
 - 3. If the contract value is \$25,000 or greater, the contract is notarized and recorded at the Clerk of Court. The Legal Department or outside notary will deliver a copy of the executed contract to the Purchasing Department.
 - 4. The Purchasing Department will issue the resulting purchase order and scan the contract and purchase order to the shared network drive and notify the User Department.
 - 5. Purchasing shall maintain all formal procurement records.
 - 6. Notice to Proceed is sent to the Contractor by the User Department.
- c. **Professional Services:** A contract is executed for services valued \$5,000 and greater. The contract is drafted by the User Department and submitted to the Legal Department for review and recommended changes. To complete the approval process, the following steps must occur:
 - 1. After the contract has been reviewed and approved by Legal, the User Department and Legal work together to obtain vendor signature.
 - 2. Legal sends the contract to the Executive Director for signature.
 - 3. The Legal Department will deliver a copy of the executed contract to the Purchasing Department. The Purchasing Department will issue the resulting purchase order and

scan the contract and purchase order to the shared network drive and notify the User Department.

4. Purchasing shall maintain all formal procurement records.
 - d. Once the PO is issued, it serves as the funding mechanism.

Chapter 6: Formal Sealed Bids

Legal Reference: 2 CFR 200.320. Louisiana Revised Statute §38:2212.

Details in Chapter 19: Legal References.

Items to be Procured:

- Goods and Materials
 - aggregate dollar amount valued over \$30,000
- Non-professional services
 - Aggregate dollar amount valued over \$50,000
 - May also be procured through the Competitive Sealed Proposals policy and procedures outlined in Chapter 7, if selection criteria include factors other than cost
- Construction/ Public Works
 - Aggregate dollar amount valued over \$250,000 (§38:2212)

Guidelines:

Goods and Materials: For all bids for goods and materials **valued over \$30,000**, the SWBNO utilizes a competitive bidding procurement process unless the need can be met from an existing Office of State Procurement contract or other competitive Louisiana municipality contract through piggybacking (Chapter 16).

Construction: For all construction projects **valued over \$250,000**, the SWBNO utilizes a competitive bidding procurement process outlined below in accordance with Louisiana Revised Statute §38:2212.

Non-Professional Services: Non-Professional Services **valued over \$50,000** may also be procured through Formal Sealed Bids or Competitive Sealed Proposals policy and procedures outlined in Chapter 7, if selection criteria include factors other than cost.

Advertisement Requirements (for schedule requirements)

- a. Materials, supplies, and goods which estimated cost exceeds \$30,000
 - a) Published at least twice in the Official journal (newspaper) of Record for the SWBNO, and on the SWBNO website
 - b) Advertisement must begin a minimum of 15 days before the opening of the bids.
- b. Road Maintenance or improvement equipment which estimated cost exceeds \$25,000
 - a) Published at least twice in the Official journal (newspaper) of Record for the SWBNO, and on the SWBNO website
 - b) Advertisement must begin a minimum of 15 days before the opening of the bids.
- c. Construction (Public Works)
 - a) Published at least three times in the Official journal (newspaper) of Record for the SWBNO, and on the SWBNO website

1. Must be published once a week for three different weeks
- b) Advertisement must begin a minimum of 25 days before bids are opened.
 1. First publication of an advertisement shall not occur on Saturday, Sunday, or other legal holiday.
 2. Mandatory jobsite visits and pre-bid conferences must be advertised.

Bid Rejection Guidelines:

- a. SWBNO may reject any and all bids for just cause. Just cause for the purpose of the construction of public works is defined, but is not limited to the following circumstances:
 - a) The unavailability of funds sufficient for the construction of the proposed public work. *Note that if this reason is utilized, the project cannot be re-solicited for one calendar year.*
 - b) The failure of any bidder to submit a bid within an established threshold of the preconstruction estimates for that public work, as part of the bid specifications.
 - c) A substantial change prior to the award in the scope or design of the proposed public work.
 - d) A determination not to build the proposed public work within twelve months of the date for the public opening and reading of bids.
 - e) The disqualification of all bidders.
- b. Purchasing will document the procurement file if the bid is rejected and notify bidders of reason for rejection. Purchasing must provide the disqualified bidder an opportunity for a hearing within 5 days of the notice of disqualification and prior to award of contract. A written ruling must be sent within 5 days of the hearing.

Step-by-Step Procedures

1. Bid Preparation (User Department)

- a. For Goods and Materials, consult with purchasing to determine if the need can be met through an existing Louisiana Office of State Procurement contract or other competitive Louisiana municipality contract through piggybacking. If this can be done, then refer to Chapter 16.
- b. User department completes the bid package information. Each department will create its own procedures for internal review of the contract documents.
 - i. Complete cost and price analysis
 - ii. For construction contracts, the project manager provides completed Front Ends.
 - iii. Complete Technical Specifications for the contract after all associated internal department review.
 - iv. Complete Drawings for the contract after all associated internal department review.

2. Initiate Requisition Form (User Department)

- a. Assign a Contract Number
 - i. Contract numbers are generated within the User Department
- b. Assign a Requisition Number
 - i. Requisition numbers are generated within the User Department
- c. Fill out Requisition Form.
 - i. Should contain at a minimum:
 1. Requisition Number
 2. Ship to Code
 3. Deliver to Information
 4. Requesting Person Name and Phone Number
 5. Detailed description of the commodity or service desired
 6. Quantity required
 7. Unit of Measure (*example: Each/Pkg/Case, etc.*)
 8. Unit Price
 9. Amount (*Equals Qty. x Unit Price*)
 10. Additional specifications, if required
 11. Any special requirements that apply
 12. Names and addresses of known sources/suggested vendors
 13. If sole sourced/ proprietary, justification must be provided
 - ii. Determine appropriate funding source from discussion with User Department manager or Budget Department. Budget allocates the required funds/establishes a pre-encumbrance.
 1. Identify Source of funds (federal, State, grant, etc.)
 - a. Including item number, fund code, organization code, reporting category project number and amount
 - iii. Obtain approval Signatures with date:
 1. Requisitioning Department Chief Administrator
 - a. Approves the expenditure of funds at this estimated amount for this purchase.

2. General Superintendent Approval (*If Applicable*)
 - a. Approves the expenditure of funds at this estimated amount for this purchase.
3. Budget
 - a. Approves funds availability/ budget allocation for purchase.
4. PDU (*If applicable*)
 - a. Evaluates eligibility for reimbursement and grant compliance. Initiates tracking information captured for capital projects.
5. EDBP
 - a. Determines need for DBE goal

3. CRC/SCRC Review

- a. User department completes CRC/ SCRC Application
 - i. CRC/ SCRC meetings are held on the 2nd Thursday of every month
 - ii. Application includes high level scope of work, detailed work breakdown, cost estimates per task, DBE potential
- b. User department attends CRC/ SCRC meeting as subject matter expert (SME).
 - i. CRC/ SCRC review the scope of the proposed solicitation and determines DBE requirement for the procurement
 - ii. CRC/ SCRC DBE requirement is final
 - iii. The EDBP report, which includes the CRC/ SCRC findings is submitted to the Finance and Administration Committee and then the Sewerage and Water Board.

4. Complete Requisition Form

- a. Accounting reviews requisition form and assigns a job number
- b. Legal reviews and approves requisition form
- c. Internal audit reviews and approves requisition form
- d. Executive Director Approval (required if estimated value exceeds \$1 Million)
- e. User Department submits formal bid package to Purchasing for Procurement. Items should be included in one email to Purchasing (or provide link to a shared folder), with the requisition number/contract number included in the title of the email:
 - i. Completed Requisition Form
 - ii. CRC/ SCRC meeting minutes confirming results
 - iii. Front Ends/ Technical Specifications/Drawings
 - iv. Advertisement document
- f. Purchasing staff reviews bid package for completion; works with User Department on any missing requirements
- g. Purchasing works with the user department and EDBP to determine if a pre-bid conference is mandatory.
- h. Purchasing prepares the bid packet for advertisement

5. Advertisement, Pre-bid Conference, and Addendum Issuance

- a. Advertisement Requirements
 - i. Published at least twice in the Official journal (newspaper) of Record for the SWBNO, and on the SWBNO website
 - ii. Any mandatory jobsite visits and bidders' conferences must be advertised.

- iii. First publication of an advertisement shall not occur on Saturday, Sunday, or other legal holiday
- b. If applicable, the pre-bid conference is held after the last advertisement date
- c. Bid addenda may be necessary as responses to questions from bidders, need to include additional information not included in the original bid package, and/or modify bid opening dates.
 - i. Addenda modifying solicitations shall not be issued within a period of 3 working days prior to the advertised time for opening of bids (this excludes Saturdays, Sundays, and other legal holidays).
 - ii. If necessity arises to issue addendum within this 3-day period, the opening of bids shall be extended exactly one week, without the requirement of re-advertising. The bid period may be extended up to 30 days through the issuance of an addendum without the requirement of re-advertising.
 - iii. Addenda shall be sent to all prospective bidders known to have received a solicitation.

6. Receiving Bids/ Bid Opening (coordinated by Purchasing)

- a. All bids, proposal responses and request for qualifications are to be immediately stamped using the appropriate bid receipt form at the front (receptionist) desk.
- b. All bids, proposal responses and request for qualifications must be received in a sealed envelope/package.
- c. Purchasing may receive formal sealed bid responses via the following mechanisms:
 - i. Delivered in person to the SWBNO Purchasing Office
 - ii. Delivered via US Mail services (USPS, UPS, FedEx, etc.). Actual submission to Purchasing shall be deemed the date received by Purchasing.
 - iii. Pre-approved electronic bidding site (if applicable).
- d. All bids, proposal responses and request for qualifications are subject to and shall be opened at a public meeting, at the time and date specified in the bid advertisement. The purchasing department will coordinate and conduct the public meeting.
- e. Late bids/ proposals will not be opened under any circumstances.
- f. All attendees shall sign in indicating they are present during the bid opening process

7. Evaluation

- a. For Construction/Public Works Projects - Within three days of the bid opening, the two apparent lowest bidders must submit the required DBE participation documentation and any other post-bid documentation expressly required in the Bid requirements document. Purchasing will provide this information to the User and EDBP departments when received.
- b. Purchasing sends bid results, tabulation, and DBE participation documentation to the User Department and EDBP (if there is a DBE requirement) for review. Purchasing completes responsibility review, and will verify the bidder's debarment status, using sam.gov and verify that there are no conflicts of interest.
- c. The EDBP department advises Purchasing and User Department of EDBP Analysis of DBE Participation.

- d. The User Department creates a recommendation package including the below information:
 - i. Itemized Bid tabulation
 - 1. Bidder information
 - 2. Itemized bid items and costs for each bidder
 - ii. EDBP Analysis (*if applicable*)
 - 1. Department Recommendation cannot be submitted until EDBP analysis is complete
 - iii. Should only one bid be received, the following steps must be taken:
 - 1. User Department must review specifications to ensure that that the specifications were clear and were not missing information which may have caused bidders not to respond.
 - 2. If the specifications were clear, then the single bid may be accepted with the appropriate justification.
 - iv. If the project is federally funded or will be reimbursed through federal grant programs, the User Department must submit a cost analysis with the recommendation package.
- e. Purchasing, in consultation with the User Department, selects the lowest responsive and responsible vendor by use of award recommendation. A recommendation or rejection of all bids must be completed and released within 45 days of bid opening, unless voluntary extension has been agreed upon by lowest apparent bidder.

8. Approval of Awards \$1 Million and Under

Purchasing shall maintain all formal procurement records and is responsible for reporting all contract awards \$1 million and under on SWBNO Board Meeting Agenda in conjunction with Board Relations.

- a. **Goods, Materials and Non-Professional Services:** The contract is drafted by the Purchasing Department and submitted to the Legal Department for review and execution. To complete the approval process, the following steps must occur:
 - i. The Legal Department works with User Department to obtain Contractor signatures
 - ii. Legal department obtains signature from Executive Director.
 - iii. The Legal Department will deliver a copy of the executed contract to the Purchasing Department.
 - iv. The Purchasing Department will issue the resulting purchase order and scan the contract and purchase order to the shared network drive and notify the User Department.
 - v. Purchasing shall maintain all formal procurement records.
- b. **Construction/Public Works:** The contract is prepared by Legal in conjunction with an outside notary utilizing the construction contract template. To complete the approval process, the following steps must occur:

- i. Notary works with contractor to obtain signature on contract, along with payment and performance bond.
 - ii. Contract is sent to Executive Director for signature.
 - iii. If the contract value is \$25,000 or greater, the contract is notarized and recorded at the Clerk of Court. The Legal Department or outside notary will deliver a copy of the executed contract to the Purchasing Department.
 - iv. The Purchasing Department will issue the resulting purchase order and scan the contract and purchase order to the shared network drive and notify the User Department.
 - v. Purchasing shall maintain all formal procurement records.
 - vi. Notice to Proceed is sent to the Contractor by the User Department.
- c. Once the PO is issued, it serves as the funding mechanism.

9. Approval of Awards Over \$1 Million

User Department is responsible for placing award recommendation on SWBNO Finance and Administration Committee and Board Meeting Agenda in conjunction with Board Relations.

During the next scheduled SWBNO Board meeting, the SWBNO Board will vote on whether to approve the award via ratification of the Superintendent's Report.

- a. **For goods and materials and non-professional services**, then the contract completion steps outlined in Steps 8a are followed for execution.
 - d. **For construction projects**, the contract is prepared by Legal in conjunction with an outside notary utilizing the construction contract template. To complete the approval process, the following steps must occur:
 - i. Notary works with contractor to obtain signature on contract, along with payment and performance bond.
 - ii. After vendor signature, Legal sends the contract to the Executive Director for review and approval for submission to the Board president or president pro temp for signature.
 - iii. Legal and Board Relations coordinate signature by the president or pro temp for signature.
 - iv. The contract is be notarized and recorded at the Clerk of Court. The Legal Department or outside notary will deliver a copy of the executed contract to the Purchasing Department.
 - v. The Purchasing Department will issue the resulting purchase order and scan the contract and purchase order to the shared network drive and notify the User Department.
 - vi. Purchasing shall maintain all formal procurement records.
 - vii. Notice to Proceed is sent to the Contractor by the User Department.
- c. Once the PO is issued, it serves as the funding mechanism.

10. Contract Completion and Final Acceptance

Upon completion of the scope of the contract, a final acceptance notification must be issued by SWB to the contractor.

- i. The SWB project manager will issue a letter to the General Superintendent documenting completion of the contract and recommending final acceptance of the contract.
- ii. The SWB project manager will also draft a resolution to be signed by the Executive Director, documenting final acceptance.
- iii. If the contract was originally signed by the Board of Directors, or the contract value increased due to change orders that required Board of Directors approval:
 - a. The final acceptance documentation must be included in the agenda for the Finance and Administration Committee meeting.
 - b. The final acceptance will be reviewed and approved by the Finance and Administration Committee, who will recommend approval by the Board of Directors at the next scheduled meeting.
 - c. After approval by the Board of Directors, then the Executive Director will sign the final acceptance resolution.
- iv. If the contract was originally signed by the Executive Director, then the Executive Director may sign the final acceptance resolution without approval from the Board of Directors.
 - a. The final acceptance should be included as an information item on the next Finance and Administration Committee meeting agenda following execution of the resolution.
- v. Upon signature of the final acceptance resolution by the Executive Director, then the SWB project manager should provide a copy to the contractor, accounting, and the procurement department. Final payment must be made within 45 days of final acceptance.

Chapter 7: Procurement by Competitive Proposals (RFP/RFQx)

Legal Reference: 2 CFR 200.320.

Details in Chapter 19: Legal References.

Items to be Procured:

- Goods and Materials
 - Must be specialized and complex in design/ use
 - Aggregate dollar amount valued over **\$30,000**
- Non-professional services
 - Aggregate dollar amount valued over \$50,000
- Professional Services
 - Aggregate dollar amount valued over **\$15,000**
- Submission to the SCRC or CRC is **required**.

Guidelines:

Goods and Materials: For all bids for goods and materials **valued over \$30,000** that is a specialized and complex design/ use, requiring that selection criteria include factors other than cost, the SWBNO may utilize a competitive proposal process unless the need can be met from an existing Office of State Procurement contract or other competitive Louisiana municipality contract through piggybacking (Chapter 16).

Professional Services: Professional Services **valued over \$15,000** are procured through the Competitive Sealed Proposals as described below.

- Request for Proposals are typically used for complex consulting projects.
- Request for Qualifications (RFQx) are used to obtain statements of qualifications from responders to gauge potential competition in the marketplace. A price is negotiated with the most qualified responder after selection. This procurement method is typically used for architecture and engineering services and legal service. Other examples include professional services such as asbestos removal, specialized labor, and maintenance labor.

Step-by-Step Procedures

1. Bid Preparation

- a. For Goods and Materials, consult with purchasing to determine if the need can be met through an existing Louisiana Office of State Procurement contract or other competitive Louisiana municipality contract through piggybacking. If this can be done, then refer to Chapter 16.

- b. User Department completes RFP/RFQx package. Each department is responsible for developing its own procedures for internal review of the procurement package. The package includes:
 - i. RFP/ RFQx template.
 - ii. Scope of work, scope of services, or technical specifications for the contract after all associated internal review.

2. Initiate Requisition Form (User Department)

- a. Assign a Contract Number
 - i. Contract numbers are generated within the User Department
- b. Assign a Requisition Number
 - i. Requisition numbers are generated within the User Department
- c. Complete a cost and price analysis
- d. Fill out Requisition Form.
 - i. Should contain at a minimum:
 - 1. Requisition Number
 - 2. Ship to Code
 - 3. Deliver to Information
 - 4. Requesting Person Name and Phone Number
 - 5. Detailed description of the commodity or service desired
 - 6. Quantity required
 - 7. Unit of Measure (*example: Each/Pkg/Case, etc.*)
 - 8. Unit Price
 - 9. Amount (*Equals Qty. x Unit Price*)
 - 10. Additional specifications, if required
 - 11. Any special requirements that apply
 - 12. Names and addresses of known sources/suggested vendors
 - 13. If sole sourced/ proprietary, justification must be provided
 - ii. Determine appropriate funding source from discussion with User Department manager or Budget Department. Budget allocates the required funds/establishes a pre-encumbrance.
 - 1. Identify Source of funds (federal, State, grant, etc.)
 - a. Including item number, fund code, organization code, reporting category project number and amount
 - iii. Obtain approval Signatures with date:
 - 1. Requisitioning Department Chief Administrator
 - a. Approves the expenditure of funds at this estimated amount for this purchase.
 - 2. General Superintendent Approval (*If Applicable*)
 - a. Approves the expenditure of funds at this estimated amount for this purchase.
 - 3. Budget
 - a. Approves funds availability/ budget allocation for purchase.
 - 4. PDU (*If applicable*)

- a. Evaluates eligibility for reimbursement and grant compliance. Initiates tracking information captured for capital projects.

5. EDBP

- a. Determines need for DBE goal

3. Complete CRC/SCRC Review

- a. User Department completes CRC/ SCRC Application
 - i. CRC/ SCRC meetings are held on the 2nd Thursday of every month
 - ii. Application includes high level scope of work, detailed work breakdown, cost estimates per task, DBE potential
- b. User department attends CRC/ SCRC meeting as subject matter expert (SME).
 - i. CRC/ SCRC review the scope of the proposed solicitation and determines DBE requirement for the procurement
 - ii. CRC/ SCRC DBE requirement is final
 - iii. The EDBP report, which includes the CRC/ SCRC findings is submitted to the Finance and Administration Committee and then the Sewerage and Water Board.

4. Complete Requisition Form

- a. Accounting reviews requisition form and assigns a job number
- b. Legal reviews and approves requisition form
- c. Internal audit reviews and approves requisition form
- d. Executive Director Approval (required if estimated value exceeds \$1 Million)
 - i. Use best judgement and historical experience to estimate if costs will exceed \$1M. The Executive Director needs to be aware of large commitments, so it is encouraged to err on the conservative side of obtaining ED approval.
- e. User Department submits RFP/RFQx package to Purchasing for Procurement. Items should be included in one email to Purchasing (or provide link to a shared folder), with the requisition number/contract number included in the title of the email:
 - i. Completed Requisition Form
 - ii. CRC/ SCRC meeting minutes confirming results
 - iii. RFP/ RFQx template/ scope of work, scope of services, technical specifications
 - iv. Advertisement document
- f. Purchasing staff reviews RFP/RFQx package for completion and works with User Department to address any missing requirements
- g. Purchasing works with the user department and EDBP to determine if a pre-bid conference is mandatory.
- h. Purchasing prepares the RFP/RFQx packet for advertisement

5. Advertisement, Pre-bid Conference, and Addendum issuance

- a. Advertisement Requirements
 - i. Published at least twice in the Official journal (newspaper) of Record for the SWBNO, and on the SWBNO website
 - ii. Any mandatory jobsite visits and bidders' conferences must be advertised.
 - iii. First publication of an advertisement shall not occur on Saturday, Sunday, or other legal holiday
- b. If applicable, the pre-bid conference is held after the last advertisement date

- c. Bid addenda may be necessary as responses to questions from bidders, need to include additional information not included in the original bid package, and/or modify bid opening dates.
 - i. Addenda modifying solicitations shall not be issued within a period of 3 working days prior to the advertised time for opening of responses (excluding Saturdays, Sundays, and any other legal holidays)
 - ii. If necessity arises to issue addendum within this 3-day period, the submittal of responses shall be extended exactly one week, without the requirement of re-advertising.
 - iii. Addenda shall be sent to all prospective proposers known to have received a solicitation.

6. Receiving Responses/Public Opening (coordinated by Purchasing)

- a. All proposal responses and request for qualifications are to be immediately stamped using the appropriate receipt form at the front (receptionist) desk.
- b. All proposal responses and request for qualifications must be received in a sealed envelope/package.
- c. Purchasing may receive responses via the following mechanisms:
 - i. Delivered in person to the SWBNO Purchasing Office
 - ii. Delivered via US Mail services (USPS, UPS, FedEx, etc.). Submission date shall be deemed the date received by Purchasing.
 - iii. Pre-approved electronic bidding site (if applicable).
- d. All proposal responses and request for qualifications are subject to and shall be opened at a public meeting, at the time and date specified. in the bid advertisement. The purchasing department will coordinate and conduct the public meeting.
- e. Late responses will not be opened under any circumstances.
- f. All attendees shall sign in indicating they are present during the public opening process

7. Evaluation

- a. Purchasing will review all responses to determine if they are administratively acceptable (received on time, signatures, bonds, if applicable, etc.) or reasonably susceptible of being made acceptable. Purchasing will retain original and redacted copies.
- b. Purchasing, in conjunction with user department, will identify the members of an evaluation committee, as described in Section I.C. of SWB Policy No. 95 (Professional Services Procurement Policy). A member of EDBP should also participate in the selection committee.
- c. Purchasing will provide copies of all responses to the evaluation committee.
- d. Each committee member will initiate, conduct, and complete an independent evaluation of each offer. Every proposal will be evaluated equally and fairly against the stated RFP/RFQx requirements.
- e. The evaluation committee will meet in a public meeting to discuss individual evaluation findings and to provide scoring of all proposals. Purchasing will document meeting results including methodology of review and scoring.

- f. Purchasing, in consultation with the User Department, issues a notice of intent to award, based on recommendation of the evaluation committee. A recommendation or rejection of all proposals must be completed and released within 45 days of bid opening, unless voluntary extension has been agreed upon by lowest apparent bidder.

8. Price Negotiation

- a. When a bidder is selected based on qualifications, then a contract price must be negotiated with the vendor for the scope items presented in the response.
- b. The contract price and scope will be incorporated into the contract documents.

9. Approval of Awards \$1 Million and Under

Purchasing shall maintain all formal procurement records and is responsible for reporting all contract awards \$1 million and under on SWBNO Board Meeting Agenda in conjunction with Board Relations.

- a. The contract is drafted by the User Department and submitted to the Legal Department for review and recommended changes. To complete the approval process, the following steps must occur:
 - i. The Legal Department works with User Department to obtain Contractor signatures
 - ii. Legal department obtains signature from Executive Director.
 - iii. The Legal Department will deliver a copy of the executed contract to the Purchasing Department.
 - iv. The Purchasing Department will issue the resulting purchase order and scan the contract and purchase order to the shared network drive and notify the User Department.
 - v. The user department will issue Notice to Proceed to the vendor.

10. Approval of Awards Over \$1 Million

User Department is responsible for placing award recommendation on SWBNO Finance and Administration Committee and Board Meeting Agenda in conjunction with Board Relations.

During the next scheduled SWBNO Board meeting, the SWBNO Board will vote on whether to approve the award via ratification of the Superintendent's Report.

- a. If approved by the Board, a contract is drafted by the User Department and submitted to the Legal Department for review and finalization.
- b. After the contract is finalized by Legal, the following steps must occur:
 - i. The Legal Department works with User Department to obtain vendor signatures
 - ii. Legal sends the contract to the Executive Director review and approves the contract for submission to the president or pro temp for signature.

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- iii. Legal and Board Relations coordinate signature by the president or president pro temp.
 - iv. Finalized contract maintained in Legal with a copy delivered to the Purchasing Department.
 - v. The Purchasing Department will issue the resulting purchase order and scan the contract and purchase order to the shared network drive and notify the User Department.
 - vi. The user department will issue Notice to Proceed to the vendor.
- c. Once the PO is issued, it serves as the funding mechanism.

Chapter 8: Unique and Non-Competitive (Sole-Source)

Legal Reference: 2 CFR 200.320

Details in Chapter 19: Legal References

Procurement by noncompetitive proposals (i.e. sole source) is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.

Step-by-Step Procedures

1. As part of the process, the User Department must notify the Purchasing department of potential for a non-competitive procurement of good, material or service from the Purchasing Department. The Purchasing Department can provide guidance on the specific situation.
2. The requesting department's request must include the following:
 - a. Requisition Form signed off by the department's Chief Administrator. In addition to the items required on the requisition form, include the following information:
 - i. Detailed description of the commodity or service desired
 - ii. Quantity required
 - iii. Additional specifications, if required
 - iv. Any special requirements that apply
 - v. Names and addresses of known sources
 - vi. Estimated cost, if known, or amount of available funds for the purchase
 - b. If applicable, depending on the situation:
 - i. Emergency declaration or extreme emergency declaration from the General Superintendent or Executive Director; OR
 - ii. Completed Sole Source Justification Form signed by department head requesting the non-competitive procurement that explains

why the procurement is not amenable to competitive procurement and value to the SWBNO of such a procurement; OR

iii. Letter from the vendor signed by an authorized representative describing the service, material, or good to be provided supporting they are the sole vendor capable of providing service, material or good.

c. Completed cost or price analysis (if not an emergency or extreme emergency).

3. The Purchasing Department shall review all required documentation and consult with the requesting department's Chief Administrator if needed. The Purchasing Director shall approve or deny non-competitive procurement in his or her discretion.
4. Upon approval of non-competitive procurement, the User Department shall either begin the contracting process, or if permitted to proceed solely with a purchase order.
5. The Purchasing Department will use the Purchase Order (PO) which has a start and finish term outlined as well as a deliverable due date. Once the PO is completed, it serves as the contracting and funding mechanism. Purchasing shall maintain the procurement records.

Chapter 9: Emergency Procurement Procedures

The following emergencies are covered by these procedures:

- Declared Emergencies defined within the Louisiana Homeland Security and Emergency Assistance and Disaster Act La. R.S. 29:721 tense and La. R.S. 38:2211(A)(5)(a) confers upon the Mayor of the City of New Orleans emergency powers to deal with emergencies and disasters of unprecedented size and destructiveness resulting from terrorist events, enemy attack, sabotage, or other hostile action or from fires, flood, earthquake or other natural or manmade causes.
- In the event of an emergency, the executive director or the general superintendent of the board may, with the written consent of the president pro temp of the Board or the Mayor, contract a bill for such supplies and materials, not exceeding ten thousand dollars in amount. However, all bills so contracted shall be reported, with the reasons for the emergency, to the board at its next meeting, in accordance with RS 33:4084(C).
- In the event of extreme emergencies, or an imminent extreme emergency, including but not limited to fires, storms, floods, and other disasters, whether natural or man-made, necessitating major repairs or replacement of equipment and machinery, the executive director or the general superintendent of the board may purchase the necessary machinery, equipment, and materials and furnish the necessary labor to make all necessary emergency repairs and replacements without the formality of advertising for bids, in accordance with RS 33:4084(E).

In the case of emergencies, the SWBNO will follow the procurement guidelines in this section, which adhere to the tenets of competitive procurement to the extent practicable, while ensuring that the SWBNO maintains the flexibility it needs to meet the needs of the emergency.

1. On an annual basis, purchasing works with User Departments to complete a solicitation for those anticipated needs during an emergency. All procurements will follow the steps outlined in this procedure manual based on the nature and anticipate dollar amount of the services required.
2. Normal competitive procurement procedures outlined in this manual shall continue during emergencies unless it can be demonstrated that a competitive market does not exist, or extreme urgency exists. At this point, then the procedures in Chapter 9 (Unique and Non-Competitive Procurement) will the followed.
3. In the absence of a discussion with the EDBP department, a 10% DBE requirement will be required on contracts issued as a result of the declared emergencies.

The guidelines outlined in Chapters 8 and 9 are intended to provide the necessary documentation to support reimbursement of costs from FEMA, in the event of a State-declared emergency. Any

purchases made related to the declared emergency that circumvent the procedures outlined herein may not be considered eligible for reimbursement.

Chapter 10: Non-Responsive or Not Responsible Bidders/Proposers

1. Bidders/Proposers determined to be “**non-responsive**” must be notified in writing stating the reasons for determination.
2. To disqualify any bidder, either as a potential bidder or as the low bidder, on grounds that such bidder is not a “**responsible bidder**” the following shall be required:
 - Give written notice of the proposed action to the bidder and include in the written notice all reasons for the proposed action;
 - Give the bidder who is proposed to be disqualified the opportunity to be heard at an informal hearing at which the bidder is afforded the opportunity to refute the reasons for the proposed action.
 - The informal hearing shall be conducted prior to award.
 - The informal hearing shall be a condition precedent to any action by the bidder adverse to the SWBNO, its representatives, employees, and designers.
 - The informal hearing shall be conducted not later than five business days after the date of the notice of disqualification of the bidder.
 - The ruling is delivered in writing to the affected bidder not later than five business days after the date of the informal hearing.
 - No award shall be made prior to the expiration of at least five working days following the date of issuance of the decision by the hearing official.
 - The disqualified vendor has the right to seek redress in a court of law after exhausting administrative remedies.

Chapter 11: Procurement Protest Procedures

1. A bidder/proposer may protest the form of solicitation, the content of the solicitation itself, including but not limited to the conditions, specifications and/or requirements, or the award selection.
2. Selection protests may only be filed by actual bidders or respondents who would then be selected if the protest is successful.
3. All protests regarding the type of solicitation or content of the solicitation must be filed no later than seventy-two (72) hours prior to the bid or proposal submission deadline. Failure to timely file such a protest shall constitute a waiver of all rights to challenge the type of solicitation or content of the solicitation.
4. All protests must be filed in writing and submitted to the Purchasing Department via e-mail, facsimile, mail or hand delivery.
5. All protests must include the following, at a minimum:
 - a. Identification of the solicitation at issue including any solicitation number;
 - b. The protestor's name, address, fax and telephone numbers, and e-mail address;
 - c. A description of the protestor's standing to submit the protest;
 - d. A clear and detailed statement of all legal and factual grounds for the protest, including appropriate references to the specific section of any materials;
 - e. A selection protest shall not include explanation or advocacy of any grounds for protesting the type of solicitation or content of the solicitation;
 - f. All documents, with an index, that the protestor believes necessary to assess the legal or factual basis of the protest; and
 - g. A statement of the specific relief requested.
6. Protests that fail to meet any of the above requirements may be rejected. The SWBNO shall not consider any grounds for a protest not expressly included in the protest filings.
7. The Purchasing Director shall then send the protest to the User Department for review.

8. The User Department will provide a written response to the protest, which shall be sent to the Purchasing Department.
9. The Purchasing Department shall then send the response to the protesting bidder.
10. The protesting bidder must provide a written response within two (2) working days, indicating that they wish to continue their protest. If a response is not received within two (2) working days, it shall be determined that the protesting bidder no longer wishes to continue their protest.
11. If the protestor indicates a desire to continue, a hearing officer is assigned to review the case.
12. The hearing officer promptly reviews and resolve all protests solely upon the basis of the written protest, the solicitation, selected person's response (if applicable) and any SWBNO-department responses.
13. Once the hearing officer has made a determination, it is sent to the Legal Department for its review.
14. After reviewing the hearing officer's determination, the Legal Department forwards the hearing officer's review to the Executive Director for their review.
15. Once the Executive Director provides an approval or disapproval, and it is sent to the Purchasing Department, which forwards the notice to the protestor.

Chapter 12: Change Orders

All change orders requests shall be processed in accordance La R.S. 38:2212. A change order is an alteration, deviation, addition, or omission as to a preexisting public works, goods and materials, or non-professional services contract, which authorizes an adjustment in the contract price, contract time, or an addition, deletion, or revision of work.

- Change order procedures must be followed when there are changes to time, materials, quantity or scope that impact a public works project or contract.
- If a contractor determines a change is necessary during the course of work, they must notify the responsible Sewerage and Water Board Project Manager as soon as possible of identification of the related change and prior to completing the work.

*Note: A Field Consultant that receives a change order request from a contractor must submit the request to the SWBNO Project Manager who is supervising the project. **A Field Consultant is not authorized to approve a change order. Change order procedures can only be initiated by the SWBNO User Department Project Manager who is supervising the project.***

- Change orders procedures are not applicable for amendments to contracts. Amendments are applicable to contracts that were procured via competitive proposals. Refer to Chapter 14 for Contract Amendment procedures.
- Whenever a change of any kind on the original order is requested, the actual change is made by submitting a Change Order Modification Form to Purchasing. This form should be filled out completely, approved by the originating department, and sent to the Purchasing for authorization and processing.
- If the requisitioning department requests to cancel an order, department staff should notify the vendor as soon as possible. Department Staff will also send an approved Change Order Request Form marked Cancel, with the reason for that cancellation properly noted, to the Purchasing Department. The Purchasing Department will process the cancellation. Departments are reminded that cancellations requested after the original order has been released to the vendor may result in additional fees such as restocking fees, etc.

There are three tiers of change orders as described in Table 12-1. Within the three tiers, a change order can be considered a standard request (Chapter 12) or an expedited request (Chapter 13), each requiring backup documentation as detailed within each chapter to justify the request and level of urgency.

Change orders **cannot** be artificially divided into multiple requests to circumvent the tiered review process. All work pertaining to the change order request must be included in one change order.

Table 12-1. Contract Change Order Tier Summary

| Contract Tier | Change Order Parameter | Signature Requirements |
|--|---|--|
| Tier One: Contract Aggregate <\$1,000,000 | | |
| Change Order Scenario 1 | If a change order is below 10% of the original contract value | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Change Order Scenario 2 | If a change order exceeds 10% of the original contract value, and total contract value remains below \$1M | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Tier Two: Contract Aggregate between \$1,000,000 and \$4,999,999.99 | | |
| Change Order Scenario 1 | If a change order is less than \$250,000 or 20% of the original contract value (whichever is less considering cumulative amount of change orders) | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Change Order Scenario 2 | If a change order or aggregate of change orders exceeds \$249,999.99 or 20% of the original contract value (whichever is less considering cumulative amount of change orders) | SWBNO Board of Directors approves via F&A Committee. Executive Director signs resolution |
| Tier Three: Contract Aggregate \$5,000,000 and above | | |
| Change Order Scenario 1 | If a change order is less than \$500,000 or 10% of the original contract value (whichever is less considering cumulative amount of change orders) | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Change Order Scenario 2 | If a change order or aggregate of change orders exceeds \$499,999.99 or 10% of the original contract value (whichever is less considering cumulative amount of change orders) | SWBNO Board of Directors approves via F&A Committee. Executive Director signs resolution |

Contract Modification Review Committee (CMRC)

The primary review mechanism for change orders, contract amendments, and associated documentation is the CMRC. The CMRC is composed of representatives from Purchasing, Legal, Budget, Finance, EDBP, Engineering, PDU, and the General Superintendent’s office (General Superintendent or Deputy General Superintendent). The members of this committee review documentation for all public works contracts (construction and materials/supplies) and professional service contracts. The committee is chaired by a representative of the CFO’s office, and the committee’s responsibilities are to:

1. Confirm that the change order is within the scope of the original contract
2. Confirm that required documentation for a change order has been prepared
3. Confirm that a funding mechanism is available for the change order
4. Confirm signature requirements

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5. Recommend to Executive Director on approval of a change order. If a change order is not recommended by the committee, then the requesting department will be given instructions on how to proceed with their request (submit additional information or withdraw).
6. Document the amount of change orders approved by the committee.
A record of each meeting will be maintained in the CFO office department files.

Step by Step Standard Change Order Procedures

1. Change Order Documentation Package

Each department must prepare its own set of procedures for identifying changes in the field and working with the contractor to negotiate scope and price. However, these procedures must accomplish the following:

- a. Project manager/user department will review the requested change from the contractor and confirm that it is within the terms and scope of the original contract.
 - i. Questions should be referred to the Purchasing Department.
 - ii. If the change is not within the scope of the original contract, then another contract/procurement mechanism must be used to accomplish the scope.
Note that changes not within the scope of the original contract that exceed \$250,000 must be let out for public bid in accordance with all applicable procedures.
- b. Project manager/user department will request that the contractor prepare a detailed change documentation and price proposal.
 - i. The need for a labor/wage rate change should be identified at this stage and communicated to the contractor.
 - ii. The project manager/user department will work with the contractor to clearly identify the scope of the change, including material quantities and contract days.
 - iii. When unit prices are contained in the original contract, no deviations shall be allowed in computing negotiated change order costs by the contractor, unless a change in the unit prices is included as part of the change order.
- c. Project manager/user department will complete a Cost and Price Analysis, independent of the contractor's price. This will be used for comparison against contractor's price proposal.
 - i. A *Cost Reasonable Analysis Form* will be completed to determine cost reasonableness.
 - ii. The contractor's cost should be within 15% of the Cost and Price Analysis to be considered reasonable. Variation (high or low) from the 15% threshold requires additional justification from the requesting contractor to support the costs as reasonable.
- d. Project manager/user department will prepare the following documents that comprise the Change Order Package:
 - i. Change order request from the vendor, including the proposed cost
 - ii. Cost Reasonable Analysis Form (signed by PM)
 - iii. Contract Fact Sheet (goes to Board of Directors)
 - iv. Purchase Order Modification Form
 - v. Draft corresponding resolution of approval of change order (to be signed by authorized individual)

2. Change Order Package Review

- a. The CMRC review documentation provided by the user department for the change order.

- i. If the CMRC does not recommend that the change order be approved, then the reasons for that will be documented in meeting minutes and guidance will be provided to the project manager/user department on how to proceed. This may include requiring that the scope of work be put out for formal bids.
 - ii. If the CMRC recommends that the change order be approved, then the justification will be noted in the meeting minutes.
 - b. The project manager/user department will utilize the Change Order Form and Purchase Order Modification Form to obtain signatures from the following departments:
 - i. Department Chief Administrator
 - ii. General Superintendent (if applicable)
 - iii. Budget
 - iv. PDU (if a grant-funded or reimbursable project)
 - v. EDBP (if contract includes a DBE goal)
 - vi. Legal
- 3. **For change orders only requiring Executive Director approval (per Table 12-1):**
 - a. The project manager will obtain Executive Director signature on the corresponding resolution.
 - i. **At this point, the contractor is authorized to proceed with the change, and the PM is responsible for notifying the contractor in writing.**
 - b. The Project Manager will notify Accounting that the change order has been approved, and provide a copy of the Change Order Packet, so that the job number can be modified accordingly.
 - c. Accounting will notify Purchasing that the job number has been modified and purchasing will update the Purchase Order for the project.
 - d. Copies of all executed change orders maintained by Purchasing, Legal and the User Department its records.
- 4. **For change orders requiring Board of Director's approval (per Table 12-1):**
 - a. The project manager will coordinate inclusion of the change order on the agenda for the next F&A committee.
 - i. If recommended for approval by the F&A committee, then it will be included on the next Board of Directors meeting.
 - ii. If not recommended for approval by the F&A committee, then the project manager will work with the department Chief Administrator to decide on the next action.
 - b. The change order will be voted on during the next Board of Director's meeting.
 - i. If the change order is approved the Board, then Board Relations obtains Executive Director signature on the corresponding resolutions.
 - At this point, the contractor is authorized to proceed with the change, and the PM is responsible for notifying the contractor in writing.**
 - ii. If the change order is not approved, then the project manager will work with the department Chief Administrator to decide on the next action.
 - c. The Project Manager will notify Accounting that the change order has been approved, and provide a copy of the Change Order Packet, so that the job number can be modified accordingly.

- d. Accounting will notify Purchasing that the job number has been modified and purchasing will update the Purchase Order for the project.
 - e. Copies of all executed change orders maintained by Purchasing, Legal and the User Department its records.
5. Note that in accordance with La. 38:2222, each change order to a public works contract or to a contract for materials and supplies which adds an amount of **10%** or more of the original contract amount and which additional amount is at least **\$10,000** or all change orders to a contract aggregating to an amount of **20%** or more of the original contract amount and which additional amount is at least **\$10,000** shall be recorded. The responsibility for the activity is assigned to the Legal Department.

Chapter 13: Expedited Change Order Procedures

The timeframe from change identification to approval of change order is typically 2 to 3 months, depending on the complexity and level of detail, as well as the schedule of the Board of Directors. If a change order is determined by the Project Manager (with concurrence from the Department Head) to require expedited review and approval, then the following expedited change order process steps may be followed.

1. Project manager, in conjunction with the Department Head, will review the change proposal to determine if it meets one of the following criteria:
 - a. The requested change is within the terms and scope of the original contract. A change may be considered within the scope of the contract if it is required in order to ensure project safety.
 - b. The requested change is on the project schedule critical path
 - c. If the project is considered an emergency, the impact must meet the definition and specific conditions of an emergency which are defined in Chapter 9 of this manual.
2. If the change meets one or more of the criteria above, then the Project Manager, in conjunction with the Department Head, completes a Contract Fact Sheet that describes the change. The form is submitted to the General Superintendent and CFO for their awareness, and to the Executive Director for approval. The Project Manager will identify the value of the work that they are recommending for expedited approval prior to change order execution, up to but not exceeding the following (consistent with thresholds in Table 12-1):
 - a. For aggregate contract values below \$1M: No more than 10% of the original contract value
 - b. For aggregate contract values from \$1M up to \$5M: No more than \$250K or 20% of the original contract value, whichever is less
 - c. For aggregate contract values from \$5M and above: No more than \$500K or 10% of the original contract value, whichever is less
3. The Executive Director will sign the Form indicating Conditional Approval.
4. Upon receipt of the Conditional Approval, the Project Manager is responsible for issuing a written Notice to Proceed to the contractor with the following language: “The work described in *Change Proposal X* is allowed to commence (or continue) on *DATE* with the understanding that up to \$XX of the cost of the expedited change order is a covered expense, while the remaining cost is dependent on the SWBNO Cost And Price Analysis, as well as approval by the Executive Director and/or Board of Directors”.
5. The Project Manager is also responsible for notifying the CMRC and discussing during the next meeting.
6. The Project Manager will also request the full proposal from the contractor and follows the steps outlined in Chapter 12 in order to complete full review and approval of the change order.
 - a. It is strongly recommended that the Project Manager work with the contractor to complete the scope negotiation and cost reasonableness review in an expedited manner and stay in frequent communication with Department Head in order to obtain final signature of the Amendment resolution as soon as possible.

Chapter 14: Contract Amendments

Throughout the term of the contract, it may be necessary to make changes to the contract. These changes can be minor administrative changes, such as a change of address, or they can be substantial changes that affect the price and delivery. All *contract amendments* must occur in writing.

Amendment procedures can only be initiated by the SWBNO User Department Project Manager who is supervising the project.

Refer to Table 14-1 for the three tiers of amendments, determined by the cost of the requested change relative to the overall contract amount. Within the three tiers, an amendment can be considered a standard request (Chapter 14) or an expedited request (Chapter 13), each requiring backup documentation as detailed within each chapter to justify the request and level of urgency.

Table 14-1. Contract Amendment Tier Summary

| Contract Tier | Amendment Parameter | Signature Requirements |
|--|---|--|
| Tier One: Contract Aggregate <\$1,000,000 | | |
| Amendment Scenario 1 | If an Amendment is below 10% of the original contract value | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Amendment Scenario 2 | If an Amendment exceeds 10% of the original contract value, and total contract value remains below \$1M | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Tier Two: Contract Aggregate between \$1,000,000 and \$4,999,999.99 | | |
| Amendment Scenario 1 | If an Amendment is less than \$250,000 or 20% of the original contract value (whichever is less considering cumulative amount of Amendments) | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |
| Amendment Scenario 2 | If an Amendment or aggregate of Amendments exceeds \$249,999.99 or 20% of the original contract value (whichever is less considering cumulative amount of Amendments) | SWBNO Board of Directors approves via F&A Committee. Executive Director signs resolution |
| Tier Three: Contract Aggregate \$5,000,000 and above | | |
| Amendment Scenario 1 | If an Amendment is less than \$500,000 or 10% of the original contract value (whichever is less considering cumulative amount of Amendments) | Executive Director approves and signs a resolution to formally approve the change and SWBNO Board of Directors is notified during monthly meetings |

| | | |
|-------------------------|---|--|
| Amendment Scenario 2 | If an Amendment or aggregate of Amendments exceeds \$499,999.99 or 10% of the original contract value (whichever is less considering cumulative amount of Amendments) | SWBNO Board of Directors approves via F&A Committee. Executive Director signs resolution |
|-------------------------|---|--|

Contract Modification Review Committee (CMRC)

The primary review mechanism for change orders, contract amendments, and associated documentation is the CMRC. The CMRC is composed of representatives from Purchasing, Legal, Budget, Finance, EDBP, Engineering, PDU, and the General Superintendent’s office (General Superintendent or Deputy General Superintendent). The members of this committee review documentation for all public works contracts (construction and materials/supplies) and professional service contracts. The committee is chaired by a representative of the CFO’s office, and the committee’s responsibilities are to:

1. Confirm that the amendment is within the scope of the original contract.
 2. Confirm that required documentation for an amendment has been prepared
 3. Confirm that a funding mechanism is available for the amendment
 4. Confirm signature requirements
 5. Recommend to Executive Director on approval of an amendment. If an amendment is not recommended by the committee, then the requesting department will be given instructions on how to proceed with their request (submit additional information or withdraw).
 6. Document the amount of amendments approved by the committee.
- A record of each meeting will be maintained in the CFO office department files.

Step by Step Standard Amendment Procedures

1. Amendment Documentation Package

Each department must prepare its own set of procedures for identifying changes in the needs or scope of the project that would necessitate contract amendment. Contract amendments should be completed in advance of the revised work being initiated. Department procedures must accomplish the following:

- a. Project manager/user department will review the requested change and determine which of the following actions is required:
 - i. Change in scope of original contract (added or revised quantities and/or services), with no change in pricing or contract value
 - ii. Change in scope of original contract (added or revised quantities and/or services), with associated change in pricing (contract value adjustment may or may not be needed)
 - iii. No change in scope of original contract, but contract value adjustment is needed due to additional quantities
- b. Project manager/user department will request that the vendor prepare a detailed change documentation and price proposal.
 - i. The project manager/user department will work with the vendor to clearly identify the scope of the change.
 - ii. Unit prices in the original contract may be used, or pricing may be renegotiated based on the project manager discretion and the scope of the work.
 - iii. Project manager/user department will negotiate with the vendor as needed to establish a scope and/or price proposal that meets the needs of the department and would be considered cost reasonable.
- c. Project manager/user department will prepare the following documents that comprise the Amendment Package:
 - i. Contract amendment proposal from the vendor, including the proposed cost
 - ii. Contract Fact Sheet (goes to Board of Directors)
 - iii. Purchase Order Modification Form
 - iv. Draft corresponding resolution of approval of amendment (to be signed by authorized individual)

2. Amendment Package Review

- a. The CMRC review documentation provided by the user department for the amendment.
 - i. If the CMRC does not recommend that the amendment be approved, then the reasons for that will be documented in meeting minutes and guidance will be provided to the project manager/user department on how to proceed. This may include requiring that the scope of work be put out for formal bids.
 - ii. If the CMRC recommends that the amendment be approved, then the justification will be noted in the meeting minutes.
- b. The project manager/user department will utilize the Contract Amendment Form and Purchase Order Modification Form to obtain signatures from the following departments:
 - i. Department Chief Administrator

- ii. General Superintendent (if applicable)
- iii. Budget
- iv. PDU (if a grant-funded or reimbursable project)
- v. EDBP (if contract includes a DBE goal)
- vi. Legal

3. **For amendments only requiring Executive Director approval (per Table 14-1):**

- a. The project manager will obtain Executive Director signature on the corresponding resolution.
 - i. **At this point, the vendor is authorized to proceed with the change, and the PM is responsible for notifying the vendor in writing.**
- b. The Project Manager will notify Accounting that the amendment has been approved, and provide a copy of the Amendment Packet, so that the job number can be modified accordingly.
- c. Accounting will notify Purchasing that the job number has been modified and purchasing will update the Purchase Order for the project.
- d. Copies of all executed amendments are maintained by Purchasing, Legal and the User Department its records.

4. **For amendments requiring Board of Director’s approval (per Table 14-1):**

- a. The project manager will coordinate inclusion of the amendment on the agenda for the next F&A committee.
 - i. If recommended for approval by the F&A committee, then it will be included on the next Board of Directors meeting.
 - ii. If not recommended for approval by the F&A committee, then the project manager will work with the department Chief Administrator to decide on the next action.
- b. The amendment will be voted on during the next Board of Director’s meeting.
 - i. If the amendment is approved the Board, then Board Relations obtains Executive Director signature on the corresponding resolutions.
 - At this point, the vendor is authorized to proceed with the change, and the PM is responsible for notifying the vendor in writing.**
 - ii. If the amendment is not approved, then the project manager will work with the department Chief Administrator to decide on the next action.
- c. The Project Manager will notify Accounting that the amendment has been approved, and provide a copy of the amendment Packet, so that the job number can be modified accordingly.
- d. Accounting will notify Purchasing that the job number has been modified and purchasing will update the Purchase Order for the project.
- e. Copies of all executed amendments are maintained by Purchasing, Legal and the User Department its records.

Chapter 15: Procurement Summary Flow Charts

Chapter 16: Other Procurement Methods

The Louisiana Public Bid Law provides for the following alternative procurement methods:

- **State Contracts:** La R.S. 38:2212.1(F) provides that purchases may be made from available state procurement contracts without the necessity of bidding.
- **State Contracts through Local Dealer:** Purchases may be made from state procurement contracts which may be available, without the necessity of bidding and may be bought through a local vendor selling the exact same product.
- **Piggyback Purchases:** Purchasing can be done jointly with other political subdivisions or purchase can be made under a contract entered by another Louisiana public entity of the vendor consents.
- **Maintenance Contracts:** La R.S. 38:2212 (U) provides that Public entities may enter into maintenance contracts for the repair and maintenance of public facilities owned, controlled, or operated by a public entity for a fixed annual fee. Such contracts shall extend for a duration of not less than two years. Any such contract entered into by a public entity shall include a nonappropriation clause and shall not be considered a debt of the public entity. Such maintenance contract shall not be considered a public works contract.
- **Adopt Procurement Code:** Political subdivisions and municipalities can adopt all or any part of the Louisiana Procurement Code to govern their procurements but must still use the Public Bid Law for public works contracts.
- **Authorized Dealer Repair:** No competitive process is required for the following items:
 1. Repair parts for equipment obtained from an authorized dealer. A Louisiana authorized dealer shall be used if available. This provision does not apply to the stocking of parts;
 2. Equipment repairs obtained from an authorized dealer. A Louisiana authorized dealer shall be used if available;
 3. Vehicle repairs not covered by a competitive state contract or the state fleet maintenance repair contract, obtained from an authorized dealer. A Louisiana authorized dealer shall be used if available;
 4. Vehicle body repairs covered by insurance recovery and in accordance with insurance requirements

User Departments must submit with their requisition an authorized dealer certification form or letter signed by the manufacturer on their letterhead certifying vendors as authorized dealers authorized to repair or sell replacements for parts for their equipment. A vendor cannot certify themselves unless they are the manufacturer.

- **Purchase of Used Equipment**

Any department may procure any equipment which is used or which has been previously purchased by an individual or corporation where the agency proposing to make such procurement can present satisfactory information to Purchasing to illustrate that the procurement of said equipment is cost effective to the SWBNO.

The used equipment shall be purchased within the price range set by the director of purchasing in a statement of written approval for the purchase which must be obtained by the department, prior to the purchase.

The department head shall certify in writing to the procurement director all of the following:

- I. The price for which the used equipment may be obtained.
- II. The plan for maintenance and repair of the equipment and the cost thereof.
- III. The savings that will accrue to the state because of the purchase of the used equipment.
- IV. The fact that following the procedures set out in the Louisiana Public Bid Law will result in the loss of the opportunity to purchase the equipment.

- **Public Works A+B Award Method:** Public Works may be awarded utilizing cost, plus time to complete project to determine low awarded bidder. Prior approval from the House and Senate Committees on transportation, highways, and public works must be obtained prior to utilizing this method.

Chapter 17: Contract Performance Evaluation

A performance evaluation for every professional, consulting, or public works contract shall be prepared by the user department. The performance evaluation shall be submitted to the Purchasing Department within 60 days after the completion of performance and no contract may be entered into by any using agency with any contractor for which a delinquent final evaluation report remains outstanding.

Evaluations require the following information:

- a. Name of the department official or officials responsible for monitoring the contract and for final department acceptance of the contract deliverable
- b. Name of the contractor
- c. Final contract amount
- d. Contract timetable which shall reflect both the proposed and actual work initiation and completion dates
- e. Any contract modifications
- f. A listing of contract deliverables, inclusive of specific products and services
- g. Whether all such deliverables were satisfactorily and timely completed
- h. An itemization of any problems encountered with respect to the execution of the contract
- i. An assessment of the utility of the contract deliverables.

Chapter 18: Related Information

Other related policies, guides and procedures: Other SWBNO policies and procedures related to procurement activities provide additional guidance and support for the management and implementation of purchasing activities of SWBNO. These include:

- Requisition and Voucher Policy
- Policy #58 (Issuance of Verbal Purchase Order Numbers for Pickups)
- Policy #66 (Annual Contract Purchasing of Standard Commodities)
- Policy #95 (Professional and Personal Services Procurement)

Eliminated Policies: Upon the effective date of this manual, the following policies are obsolete and superseded by the procedures described herein.

- Policy #50 (Procedures for Handling Agreements)
- Policy #63 (Contract Renewal Policy)
- Policy #70 (Purchase Order Request Procedures)
- Policy #72 (Procedures for Purchase of Sundry Items)

Chapter 19: Forms, Templates, Checklist

All forms can be found on the internal network drive under Purchasing.

Document Links

[Requisition Form](#)

[Board Contract Form](#)

[Board Contract Amendment Form](#)

[Emergency Justification Form](#)

[Sole Source/Proprietary Justification Form](#)

[Change Order/Modification Form](#)

[Goods and Non-professional Services Bid Template](#)

[Cost and Price Analysis Template](#)

[Request for Proposal \(RFP\) Template](#)

[Request for Qualification \(RFQ\) Template](#)

[Request for Professional Service Contract Amendments Template](#)

[Checklist for Goods and Non-Professional Services](#)

[Checklist for Public Works Projects](#)

[Checklist for Professional Services](#)

[Checklist for RFP](#)

[Checklist for RFQ](#)

[Checklist for Change Orders/Modifications/Contract Amendments](#)

[Checklist for Sole Source/Proprietary Purchase Request](#)

Chapter 20: Legal References

The following references are applicable to projects subject to federal grants and agreements. Although not all work performed by SWBNO is subject to federal grants and agreements, the majority of the references in this section have been adopted across all procurements for consistency.

2 CFR 200.320(a): *CFR states: Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.*

Micro-Purchase (2 CFR 200.67): means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$10,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

2 CFR 200.320 Procurement by small purchase procedures: *Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold or Louisiana State Statutory Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.*

2 CFR 200.320 Procurement by sealed bids (formal advertising): *Procurement by sealed bids (formal advertising). Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible and responsive bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction exceeding \$250,000.*

(1) *In order for sealed bidding to be feasible, the following conditions must be present:*

- (i) *A complete, adequate, and realistic specification or purchase description is available;*
- (ii) *Three or more responsible bidders are willing and able to compete effectively for the business; and*
- (iii) *The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.*

(2) *The following requirements apply when the sealed bid process is used:*

- (i) *Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, the invitation for bids must be publicly advertised;*
- (ii) *The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;*
- (iii) *All bids will be opened at the time and place prescribed in the invitation for bids, and the bids must be publicly opened and read;*
- (iv) *A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and*
- (v) *Any or all bids may be rejected for just cause. **Just cause**" for public works, includes but not limited to:*
 - *The public entity's unavailability of funds sufficient for the construction of the proposed public work;*
 - *The failure of any bidder to submit a bid within an established threshold of the preconstruction estimates for that public work, as part of the bid specifications;*
 - *A substantial change by the public entity prior to the award in the scope or design of the proposed public work;*
 - *A determination by the public entity not to bid the proposed public work within twelve months of the date for the public opening and reading of bids; and*
 - *The disqualification by the public entity of all bidders.*

2 CFR 200.320: *The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:*

- (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;*
- (2) Proposals must be solicited from an adequate number of qualified sources;*
- (3) The Non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;*
- (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and*
- (5) The Non-Federal entity may use competitive proposal procedures for qualifications-based procurement of telecommunications or data processing equipment, architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.*

Other Authorities and References

| Source | Regulation |
|------------------------------|---|
| Federal Laws and Regulations | <ul style="list-style-type: none"> • Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972 |
| | <ul style="list-style-type: none"> • Federal Emergency Management Agency (FEMA) |
| | <ul style="list-style-type: none"> • American Recovery and Reinvestment Act (ARRA) |
| | <ul style="list-style-type: none"> • Federal Executive Order 11246 |
| | <ul style="list-style-type: none"> • Federal Rehabilitation Act of 1973, as amended |
| | <ul style="list-style-type: none"> • Vietnam Era Veteran's Readjustment Assistance Act of 1974 |
| | <ul style="list-style-type: none"> • Age Act of 1975 |
| | <ul style="list-style-type: none"> • Americans with Disabilities Act of 1990 |
| | <ul style="list-style-type: none"> • Family Educational Rights and Privacy Act, 20 U.S.C. Section 1231(g), et seq. |
| | <ul style="list-style-type: none"> • (FERPA) and the Individuals with Disabilities Education Act, 20 U.S.C. Section 1400, et seq. |
| | <ul style="list-style-type: none"> • Fair Labor Standards Act (FLSA) |
| | <ul style="list-style-type: none"> • Age Discrimination in Employment Act (ADEA) |
| | <ul style="list-style-type: none"> • Americans with Disabilities Act (ADA) |
| | |

| Source | Regulation |
|------------------------|---|
| State Revised Statutes | <ul style="list-style-type: none"> • RS 29:737- Municipalities; authority to respond to emergencies |
| | <ul style="list-style-type: none"> • RS 42:1101 – 1170 Code of Ethics |
| | <ul style="list-style-type: none"> • RS 33: 33:4084-4085 SWBNO Purchase of supplies; machinery and equipment; emergency purchase; preference to home merchants |
| | <ul style="list-style-type: none"> • RS 38:2211 – 2296 Public Bid Law |
| | <ul style="list-style-type: none"> • RS 44:1 – 41 Public Records |
| | <ul style="list-style-type: none"> • RS39:1710 Local governing authorities; purchases from local vendors, payment of certain costs |
| | <ul style="list-style-type: none"> • RS 33:1321 Part VII Intergovernmental Functions Subpart A General Provisions |
| | <ul style="list-style-type: none"> • Article 7, Section 14 of the Louisiana Constitution |