

## Public Works Contracts, Public Work Projects in accordance with Louisiana's Public Bid Law, R.S. 38:2211-2296

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The Director of Physical Plant may enter into negotiations for project with a qualifying vendor without bidding requirements or may request the following competitive process or any other more restrictive processes.

### **Definition:**

Contracts for public works projects, using public funds, commonly referred to as the design-bid-build method. A public works project means the erection, construction, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity, (including labor, materials and equipment) not exceeding \$150,000.

In accordance with R.S. 38:2212, "All public work exceeding the contract limit of \$150,000 (including labor, materials and equipment) to be done by a public entity, shall be advertised and let by contract to the lowest responsible bidder who had bid according to the contract plans, and specifications as advertised.

Advertisement Requirement: Once a week for three (3) different weeks in the official journal of the state and in our local Natchitoches Times and the first advertisement of insertion must appear at least twenty-five (25) days prior to the bid opening date.

Public works projects that are estimated to cost less than \$150,000 are not subject to the advertising and bidding requirements of the Public Bid Law and may be undertaken by the public entity with its own employees or may be processed according to the following procedure:

***NOTE:** To determine if your project is under \$150,000, you add together the cost of all materials that will go into the job, the wages and benefits which will be paid to the employees used in the project, the cost of supervision and overhead, and the cost of the equipment which will be used on the job.*

### **Responsibility of Authority:**

Prior to proceeding with any public works projects, the Director of Physical Plant and Director of University Affairs will determine on a case by case basis those projects they deem necessary to process in accordance with the guidelines as defined under Title 38. The proposed project approval must be requested from the Director of Purchasing with the following information:

- complete description of project

- complete and approved Banner Requisition if work is being done by an outside contractor
- total cost of project including labor, materials, and equipment
- source of funds and approval of availability of those funds
- total project amount may not exceed \$150,000
- a minimum of 3 quotes should be retained when possible for any public works projects exceeding \$5,000

If the Director of Physical Plant and the Director of University Affairs wish to procure non-competitively under Title 38, the following criteria should be considered:

- three written signed quotes

***NOTES:** If the total contract amount exceeds \$50,000, all prime bidders must be licensed by the Louisiana State Licensing Board for Contracts in accordance with R.S. 37:2150.1*

*The contractor's license number must be specified on the quote.*

*Should the apparent low bid exceed the original contract amount, contact the Director of Purchasing for guidance. If the increased cost of the project resulted from changes outside the scope of work, a re-bid process will be required to allow competitive pricing for revised specifications.*

- If the contract is in excess of \$5,000, reduce the contract to writing and have it signed by the parties in accordance with R.S. 38:2241 (A).
- If the contract is in excess of \$25,000, the contractor must provide a Performance and Payment Bond in a sum of not less than 50% of the contract price in accordance with R.S. 38:2241. The bond shall be executed by the contractor with surety or sureties approved by the public entity and shall be recorded with the contract in the office of the recorder of mortgages in the parish where the work is to be done not later than thirty days after the work has begun.
- surety bond and insurance in accordance with R.S. 38:2219
- Any surety bond written for a public works project shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list or by a Louisiana domiciled insurance company with an A-rating by A.M. Best. In addition, any surety bond written for a public works project shall be written by a surety or insurance company that is currently licensed to do business in the state of Louisiana.

- Change orders; recordation in accordance with R.S. 38:2222. Each change order to a public works contract or to a contract for materials and supplies which adds an amount of ten percent or more of the original contract amount and which additional amount is at least ten thousand dollars or all change orders to a contract aggregating to an amount of twenty percent or more of the original contract amount and which additional amount is at least ten thousand dollars shall be recorded by the public entity which entered into the contract in the office of the recorder of mortgages in the parish where the work is to be done or, if not a public work, where the entity is domiciled not later than thirty days after the date of the change order which requires that the recordation take place. In addition, the original contract shall be recorded together with the change orders if not previously recorded. The provisions of this Section shall not apply to the office of facility planning and control, and the office of state procurement.
- File original contract along with a copy of the purchase order in the office of the recorder of mortgages for the parish in which the work is done.
- Request a clear lien certificate 45 days after filing of a Notice of Substantial Completion. Retainage can only be paid after such clear lien certificate is received by the Director of Purchasing.
- ***NOTE:** When circumstances exist, which require or necessitate Performance Bonds, Project Recordation and Lien activities, it is the responsibility of the Director of Physical Plant and to ensure that all Public Works, Facility Planning and Control and OSP requirements are adhered to. These requirements shall include but not limited to Architect/Designer Management, Construction Management, Notice to Proceed and Project Close Out. Construction, contract deadlines and project Close-Out payments shall be completed in accordance with State Facility and Planning Rules and Regulations.*

**Public Works Projects** may not be processed on an agency level without prior approval from the following authority:

**Purchases over \$350,000 up to \$1,000,000** (in accordance with R.S.39:128(B) Minor repairs, renovation, or construction of buildings or other facilities without being included in the capital outlay budget but shall be subject to the approval of the Board of Regents and the appropriate management board or their successor. A state college, university, or higher education facility may not incur debt to fund any project that is not included in the capital outlay budget. Any project with an estimated budget greater than \$500,000 must be assigned a designer, architect, or engineer by the Architect and Engineer Review Board.