



Center for Local  
Government Excellence



# **PUBLIC BID LAW**

## **Overview**

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# Public Bid Law

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# PUBLIC WORKS FOR POLITICAL SUBDIVISION AND LOCAL GOVERNMENT

**\$157,700 or Less**

May be undertaken by Public Entity through its Employees

**(Recommended)**  
• Obtain RFP or  
• Obtain (3) Phone Bids

**ADVERTISEMENT (Recommended)**  
• 30 days before Opening of RFP via internet or formal publication  
• Written notice of RFP mailed to persons/corporations w/related services

**Greater than \$157,700  
Includes Labor, Materials & Equipment**

**ADVERTISEMENT**  
• 1<sup>st</sup> Advertisement must occur at least 25 days before Opening Bids, & not occur on a Saturday, Sunday or Legal Holiday  
• 3 times at least once a week in a newspaper in the locality & may be published on the website

**Public Entity to:**  
• Estimate the construction cost or obtain estimate from Project Designer  
• May not proceed if estimate exceeds projected budget

**Requirements for Mandatory Pre-Bid Conference**  
• Shall be noted in the 1<sup>st</sup> advertisement with Date, Time & Place & noted in the bid documents  
• If Bidder fails to appear, he/she is disqualified

**DELIVERY OF SEALED BIDS**  
• Hand Delivery, certified mail or electronic submission  
May not accept or take bids submitted on a USPS designated Holiday  
**BID OPENING**  
• May be extended up to 30 days without further advertisement

**DEADLINE FOR SUBMISSION OF REQUIRED DOCUMENTATION FROM APPARENT LOWEST BIDDER**  
• Bidding Documents are to be received from Apparent Low Bidder within 10 days after bid opening  
• Bidding documents shall include Louisiana Uniform Public Works Bid Form, Affidavit of Attestation & E-Verification Form

**Disqualifications of Nonresponsive and/or Responsible Bidder**  
**Public Entity shall:**  
• Give written notice of reasons to Bidder with the opportunity to be heard at an informal hearing  
**Criteria for Informal Hearing**  
• Shall be conducted prior to award of public work  
• Shall be an administrative remedy that must exhausted prior to any legal action taken by disqualified Bidder  
• Shall be conducted by the Public Entity not later than 5 business days after date of notice  
• Ruling shall be issued not later than 5 business days after the date of hearing  
• No award of the contract shall be made by Public Entity prior to the expiration of at least 5 working days following issuance of the decision  
• Disqualified Vendor has the right to seek redress in a Court of law

**If not a Responsible/Responsive Bidder**

**Rejection of All Bids**  
**Public Entity may reject any and all bids for just cause. Just cause includes but not limited to:**  
• The Public Entity's unavailability of sufficient funds  
• The failure of any bidder to submit a bid within an established threshold  
• A substantial change by the public entity  
• A determination by the public entity not to build the proposed public work within 12 months  
• The disqualification by the public entity of all bidders

**IF ALL QUALIFICATIONS HAVE BEEN MET**  
**AWARD OF CONTRACT**  
• Public Entity shall award Contract no later than 45 calendar days from Opening of Bids to lowest Responsible/Responsive Bidder *(may be extended through agreement in 30 day increments)* {or reject all Bids *(for just cause)*  
**Execution of Contract**  
• No Later than 60 Calendar Days after Bid is awarded  
**Notice to Proceed with Contract**  
• 30 Day written Notice to proceed must be given to Contractor upon execution of contract

**Requirements for Change Order**  
• Shall be in writing or via electronically & signed by Contractor & Public Entity, or Design Representative  
• May not occur within 72 hours of Bid Opening (Requires extension of bid opening)

**Within Scope of Contract**  
• Must be negotiated to the Public's best interest if less than the threshold limit  
**Outside Scope of Contract**  
• Let out for bid if more than the threshold limit

**Change to Contract**

**Bidder Remains Disqualified**



# MATERIALS AND SUPPLIES FOR POLITICAL SUBDIVISION AND LOCAL GOVERNMENT

**Less than \$1,000**  
**Recommended**  
• Documentation of at least 3 Verbal Quotes

**\$1,000 - \$9999**  
**Recommended**  
• Obtain documentation of at least 3 Written or Electronic Quotes

**\$10,000 - \$30,000**  
**Mandatory**  
• Obtain at least 3 quotes: telephone, fax or email  
• Obtain written confirmation of accepted offer  
• If selecting other than the lowest quote, written documentation must be included in file supporting why selection was in the best interest of the public entity

**Exceeds \$30,000**

**ADVERTISEMENT**  
• 1<sup>st</sup> Advertisement at least 15 days before Opening Bids, & may not occur on a Saturday, Sunday or Legal Holiday  
• 2 times at least once a week in Newspaper in locality & may be published electronically  
• Plans/Specifications shall be available to Bidders the day of 1<sup>st</sup> Ad & until 24 hours before Bid Open date

**Rejection of All Bids**  
• Public Entity may reject any and all bids for just cause.

**DELIVERY OF SEALED BIDS**  
• Hand Delivery, certified mail or electronic submission  
• May not accept or take bids submitted on a USPS designated Holiday

**IF ALL QUALIFICATIONS HAVE BEEN MET**  
• Contract is awarded to the lowest **Responsible/Responsive Bidder** through execution of contract, initiation of purchase order



**Purchasing Computers and Software by  
Political Subdivisions  
R.S. 38:2234 et seq.**

**Request for Proposal (RFP) Process  
(R.S. 38:2237)**

**Public Notice**  
Notice of the RFP shall be given at least thirty (30) days prior to the date scheduled for opening the RFP. This notice may be given to the general public via available electronic media.

**Written Notice**  
Written notice of the RFP shall be mailed to persons and corporations who are known to be in a position to furnish the equipment, systems, and related services.

**RFP Requirements**  
The RFP will:

- Indicate the relative importance of price and other evaluation factors;
- Clearly define the tasks to be performed under the contract;
- List the functional specifications;
- Explain the criteria to be used in evaluating the proposals, and
- The time frames within which the work must be completed.

**Award**  
An award shall be made to the responsible offeror whose proposal is determined, in writing, by the governing authority of the political subdivision to be the most advantageous, considering price and other evaluation factors set forth in the RFP. Please note: unlike the provisions of the Public Bid Law, the governing authority does not have to select the *lowest* proposal. It selects the most advantageous proposal based on the evaluation factors outlined in the RFP.

**Rejection of Proposals**  
The governing authority of the political subdivision may reject all proposals if doing so is deemed to be in its best interest.

**Contract Requirements**  
If vendors submit written proposals, the proposals of the successful vendor must be incorporated into the final contract.

Remember, whether or not a political subdivision decides to use this RFP process for telecommunication and data processing systems is completely at their option. That is, they are not required to use this exception but may choose to make such purchases in accordance with the Public Bid Law or off of state contract. However, if the Public Bid Law is used instead of this process, written notice of that fact must be given to all bidders, and that notice must clarify that the Public Bid Law is being used and not the RFP exception.



## Public Works

Total Cost of Project	Public Bid Requirements
\$157,700 or Less *	<ul style="list-style-type: none"> <li>➤ Recommended to be done through a Request for Proposals (RFP) Process and/or solicitation of at least three bids</li> <li>➤ Prudent business person standard</li> </ul>
Greater than \$157,700 *	<ul style="list-style-type: none"> <li>➤ 1<sup>st</sup> Advertisement must occur at least 25 days before Opening Bids</li> <li>➤ Advertise three times in a paper of general locality (at least once a week) &amp; may be published on the website</li> <li>➤ First ad shall <b>not</b> occur on a Saturday, Sunday, or USPS Designated Holiday</li> </ul>

\* Beginning February 2015, and every year thereafter, the Office of Facility Planning and Control will review and adjust the contract limit in accordance with the Consumer Price Index (CPI) through rule-making promulgated in the January Louisiana Register.



## Purchase of Materials and Supplies

Cost of Purchase	Public Bid Requirements
Less than \$1,000	<ul style="list-style-type: none"> <li>➤ Recommended: Obtain and document at least three verbal quotes</li> </ul>
\$1,000 - \$9,999	<ul style="list-style-type: none"> <li>➤ Recommended: Obtain three written quotes</li> </ul>
\$10,000 - \$30,000	<ul style="list-style-type: none"> <li>➤ Obtain at least three telephone, fax, or email quotes</li> <li>➤ Obtain written confirmation of the accepted offer</li> </ul>
Exceeds \$30,000	<ul style="list-style-type: none"> <li>➤ Advertise two times at least 15 days before opening of bids</li> <li>➤ First ad shall not occur on a Saturday, Sunday, or USPS Designated Holiday</li> <li>➤ Open bids or cancel of all bids</li> </ul>



# Procurement Code

## Who does it apply to?

- State Executive Branch agencies, Boards and Commissions
- Local Entities who adopt (in whole or part)

## Types of Contracts Covered:

- Purchases of Materials and Supplies
- Personal, Professional, Consulting, and Social Services Contracts
- Procurement of other Services

## What contracts are not covered:

- Public Works Contracts (Subject to Public Bid Law, R.S. 38:2212)
- Architects, engineers, and landscape architects for executive branch agency capital projects over \$500,000 (R.S. 38:2310, et seq.)
- Technology Purchases (Subject to Office of Technology Services oversight in R.S. 39:196, et seq.)

## Methods of Procurement:

- Existing State Contracts
- Sole Source
- RFP
- Sealed Bids
- Reverse Auctions
- Competitive Negotiations – Certain Professional Service Contracts and Consulting, Personal, or Social Services Contracts under \$50,000
- Small Purchases - Under \$25,000 – See Executive Order JBE 17-18

## General Requirements for Small Purchases:

Amount of Purchase	Method
\$0-\$5,000 per single transaction (cannot split)	No competitive bidding required
>\$5,000 to \$15,000	Quotes from 3 or more vendors by telephone, facsimile, or other means
>\$15,000 to \$25,000	If possible, use Office of State Procurement computerized vendor list; otherwise obtain written quotes from at least 5 vendors
>\$25,000	Advertise according to R.S. 39:1594(C)(1-5)