

City of Kenner
Purchasing Procedures



City of Kenner
Purchasing Department

Revised 3/2008

These procedures are for all acquisitions and contracts will be in accordance with the State Bid Laws R.S. 38:2211 and the provisions of the Louisiana Code of Governmental Ethics R.S. 42:1101, et seq. and in those cases where applicable, certain excerpts have been modified and/or adopted from the State Procurement Code.

It is the intent of these procedures to establish prudent safeguards to protect the financial condition of the City and provide procedures for purchasing which promote fair and equitable competition among those businesses and individuals desiring to supply materials, supplies and services to the City.

It is further intended that the City will publicly bid by contract, those items commonly used in excess of Twenty Thousand Dollars (\$20,000). **All departments and budget units of the City, excluding the Police Department, are required to observe and be guided by the following specific procedures.**

General Rules and Applications

- Any purchase not on City of Kenner contract that is over \$2500 requires Council approval either by Resolution or Ordinance, depending on dollar amount
 - Resolution – Purchases \$2500 - \$4999
 - Ordinance – Purchases \$5000 and over
- Departments must obtain a purchase order before placing an order, authorizing work, etc.
- No City employee shall own/operate any business that does business directly with the City of Kenner.
- No employee shall engage in any direct transaction with a vendor or contractor in which the City employee would receive the direct personal gain from a transaction involving the City of Kenner.
- No City employee may receive any compensation for work performed for an outside company if that company does or is seeking to do business with that employee's department.

Categories of Purchases By Dollar Amounts

SMALL PURCHASES – DEPARTMENTS PROCESS

Purchases \$0.00 to \$999.99

Shall be made on a departmental level without competitive bidding; however, departments should obtain quotes from at least 3 vendors to insure a competitive price. Such supporting documentation must be maintained with these departmental purchases.

Furthermore, departments must, on quarterly basis, review repetitive purchases to ensure that competitive prices are obtained and that such repetitive purchases shall not exceed \$2500.00 on a single item purchased on a monthly basis. In addition, auditing of these purchases will be conducted to ensure that established guidelines and procedures are followed by the user departments.

Purchases \$1000.00 to \$2499.99 – (Materials and Supplies Only) – Departments Process

Shall be processed on the departmental level and shall be made after attempting to receive a minimum of 3 fax bids. Bids received will be recorded on Fax Bid Form (see attached) and all fax quotes will be attached and sent to the Purchasing Department for processing and issue of a purchase order.

When soliciting faxed bids, departments must bid “Or Equal” products where they indicate brand names, catalog numbers, etc. and shall make an attempt to estimate shipping costs associated with these purchases.

If Fax Bids have lapsed after 30 days, departments must re-bid before sending to the Purchasing Department.

No repetitive purchases within a 30 day period will be allowed without written authorization from the Mayor and/or Chief Administrative Officer. Such authorization will be forwarded to the Purchasing Department for processing.

Based on the nature of the purchase, the Purchasing Director or her designee will have discretion in determining if other methods of procurement should be pursued.

SMALL PURCHASES – PURCHASING DEPARTMENT PROCESSES

Purchases \$1000.00 to \$2499.99 – (Materials and Labor Only)

If the bid is for labor and materials, then the PURCHASING DEPARTMENT shall process this by written bids. **All necessary insurance certificates will required from the vendor BEFORE a purchase order is issued. (Please allow for approximately 5-7 days to process these types of bids, unless the department is requesting a pre-bid conference).**

No repetitive purchases within a 30 day period will be allowed without written authorization from the Mayor and/or Chief Administrative Officer. Such authorization will be forwarded to the Purchasing Department for processing.

Purchases \$2500.00 to \$4999.99

PURCHASING DEPARTMENT shall process bids for supplies only by attempting to obtain at least three (3) competitive telephone, fax or written bids. Based on the nature of the purchase, time available, complexity of the bid and other factors, the Purchasing Director or her designee will determine the method that will be used to obtain bids. It will always be the intent of the Purchasing Department to use the most effective and expeditious method possible.

Bids for materials and labor shall be processed as written bids. [All necessary insurance certificates will required from the vendor BEFORE a purchase order is issued. \(Please allow for approximately 10-15 days, for any necessary pre-bid meetings, etc.\).](#)

Any repetitive purchase in this category is prohibited and shall be closely scrutinized by the requesting department to ensure compliance and to determine if the requesting department should secure an annual contract.

Any purchase under this category shall require Council approval by Resolution. The requesting department must prepare this legislation and route according to administrative policy.

MEDIUM PURCHASES – PURCHASING DEPARTMENT PROCESSES

Purchases \$5000.00 to \$19,999.99

PURCHASING DEPARTMENT shall process these bids by soliciting written or facsimile bids from as many prospective bidders as practical, attempting to obtain at least three (3) bids. Based on the nature of the purchase, the Purchasing Director or her designee will have discretion in determining if other methods of procurement should be pursued.

Bids for materials and labor shall be by the PURCHASING DEPARTMENT as written bids, shall be advertised and publicly opened at a specific date, time, and place. Upon award, these bids will require a formal contract. [\(Please allow for 20-25 days to process these types of bids\).](#)

Any repetitive purchase in this category is prohibited and shall be closely scrutinized by the requesting department to ensure compliance and to determine if the requesting department should secure an annual contract.

Any purchase under this category shall require Council approval by Ordinance. The requesting department must prepare this legislation and route according to administrative policy.

LARGE PURCHASES – PURCHASING DEPARTMENT PROCESSES

Purchases \$20,000.00 and over

Subject to Louisiana State Public Bid Law and shall require solicitation by sealed letter bids as outlined in Louisiana Revised Statute R.S. 38:2212 et. seq. The Purchasing Department will seek bids from as many prospective bidders as practical, but will not send proposals to less than 3 vendors. These bids shall be advertised and will be publicly opened at a specific date, time, and place per State Public Bid Law.

Time to process these bids will be in accordance to the time table listed below under “Time Period for Receiving Bids- Bid Opening Date Guidelines.”

Any purchase under this category shall require Council approval by Ordinance, which is to be prepared by the requesting department and routed according to administrative policy.

Advertisement

Construction contracts (bids over \$5000 for labor and materials only) must be advertised in the City Official Journal for 3 consecutive weeks.

Non-Construction procurements (bids over \$20,000 for supplies and materials only) must be advertised for 2 consecutive weeks.

Time Period for Receiving Bids – Bid Opening Date Guidelines

- Construction contracts \$100,000 and over (bids for labor and materials) – minimum of 25 days from the date of first advertisement (LA R.S. 38:2212).
- Construction contracts \$5000 - \$100,000 (bids for labor and materials) – minimum of 20 days from the first date of advertisement.
- Non-Construction contracts \$20,000 and over (bids for supplies and materials) – minimum of 15 days from the date of first advertisement (LA R.S. 38:2212)

PURCHASES - AUTHORIZED DEALER

Parts and repairs for automotive, mobile, and fixed equipment obtained from or done by authorized dealer or manufacturer. Authorized dealer is defined as a dealer certified by the manufacturer to perform maintenance on their equipment. Such parts and/or repairs in excess of \$2500.00 shall be pre-approved by the Chief Administrative Officer or mayor. Additionally, purchases \$2500.00 and over require Council approval prior to commencement of repairs. The requesting department must prepare this legislation and route according to administrative policy.

The vendor must provide in writing that he is an authorized dealer for the equipment. This must be included with the proposed legislation.

Effective legislation and all supporting documentation must accompany the requisition for processing.

PURCHASES FROM A PIGGYBACK CONTRACT **(COOPERATIVE PURCHASING)**

Cooperative Purchasing Agreements are joint or multi-party contracts between public procurement units and open-ended state public procurement unit contracts that are made available to local public procurement units.

The City of Kenner may utilize other parish and municipal contracts with their respective permission. The advantage in using these contracts is that the bidding process is bypassed and departments may seek Council approval to utilize these contracts.

All requests to other parishes and municipalities to utilize one of its contracts on a Cooperative Purchasing basis (Piggyback) must be initiated by the City of Kenner Purchasing Department. Accordingly, once you have determined that a product or service for which your department has a need has recently been bid by a parish or municipality, you are to provide the City of Kenner Purchasing Department with as much of the following information as possible:

- Type of service or product
- Name of the provider
- Approximate date of contract/RFP
- Term of contract
- Name of service provider/vendor contact person
- Any other relevant information regarding the contract that you possess

Once you have provided the above information, the City of Kenner Purchasing Department will contact the parish/municipality to obtain approval to utilize the contract and all relevant Legislation, RFPs, Contacts, and any other required information. This information will be provided to you, as your department will continue to be responsible for preparing and routing any legislation required.

Please ensure that same products and/or or services outlined as the scope of work in the contract is exactly the same products and/or services you wish to acquire.

PURCHASES FROM STATE CONTRACTS

Departments may purchase from any state contract. However, if a purchase is expected to go beyond the \$2500 threshold for Council approval, the department should introduce legislation for Council approval.

When departments wish to utilize state contracts frequently or on an as needed basis, departments must seek authorization from Council and establish a “Not to Exceed amount.” The requesting department will send a copy of the effective legislation and a copy of the state contract to the Purchasing Department to ensure that the contract will be available to use through MUNIS.

To learn more about the types of contracts that the Louisiana State Department has secured, please visit their website at:

<http://doa.louisiana.gov/osp/siteindex.htm#contracts>

PURCHASES FROM A SOLE SOURCE OF SUPPLY

Purchases for an item that is only available from a single supplier may be processed by the Purchasing Department.

The initiating department will provide written justification to the Purchasing Director for review. All supporting documentation shall be made part of the purchase order records.

General Notes

- A requirement for a particular brand name item does not justify sole source procurement if there is more than 1 potential bidder for that item.
- Also, personal preference for a brand name item available from a sole source in NOT justification for sole source procurement when an equivalent product of another brand can satisfy the requirement.

PREPARING BID SPECIFICATIONS

Specification (Definition):

Any description of the physical functional, or performance characteristics, or of the nature of a supply, service, construction or major repair item. The specification includes, as appropriate, requirements for inspecting, testing, or preparing a supply, service, or construction item for delivery. Unless the context requires otherwise, the terms "specification" and "purchase description" are used interchangeably throughout these regulations.

The purpose of a specification is to serve as a basis for obtaining a supply, service, or major repair item adequate and suitable for the city's needs in a cost effective manner, taking into account, to the extent practicable, the costs of ownership and operation as well as initial acquisition costs. It is the policy of the state that specifications permit maximum practicable competition consistent with this purpose. Specifications shall be drafted with the objective of clearly describing the state's requirements.

A good specification should do four things:

1. Identify Minimum Requirements
2. Allow for Competition
3. List Reproducible Test Methods used in testing Compliance with Specs.
4. Provide for an Equitable Award

Requirements in the Specs should include:

1. Basic design
2. Physical dimensions
3. Weights
4. Percent and type of ingredients
5. Types/grades of materials, if applicable
6. Any other special instructions
7. Reference drawings, other specifications, publications, etc.

SPECIFICATIONS SHOULD NOT BE TOO SPECIFIC!

Being too specific limits competition and eliminates items that can satisfactorily meet actual needs. Specifications must be well written and communicative, contain simple language and be free from vague terms.

The Purchasing Department may alter or revise specifications in order to allow open competition.

The initiating department is responsible for drafting its respective specifications. The bid must be entered into the Purchasing website and a copy of the specifications must also be emailed to the Purchasing Department.

If Specifications are submitted on multiple pages, pages must be numbered or items in specifications must be numbered in sequential order.

Specifications may contain a clause for fixed escalation or de-escalation in accordance with the Consumer Price Index, the US Bureau of Labor Statistics, or the Wholesale Price Index. Bids based on a recognized escalation index will be legal and valid.

Brand Names: Brand names should be used only as a guideline to the quality of the commodity, and should not be included in order to exclude equal products. Items purchases are on an “or equal” basis. If a department is requesting “No Substitutes,” a detailed explanation is required and requires approval by the Purchasing Director.

Catalog and Part Numbers: take care that these numbers are not used to exclude other vendors, as the numbers may be specific to one vendor.

If the specifications indicate an acceptable brand and number, department must invite competitive brands by indicating, “or equal.”

TIPS FOR WRITING SPECIFICATIONS

In the scope, departments should include a brief synopsis of the project, product or service that wish to acquisition. Exact location should be stated in the synopsis of the project if applicable.

Manufacturers’ brochures must not be copied verbatim when developing specifications. Instead, departments should only choose the essential characteristics or general features that fits the needs of the department’s request. Specifications must not include “patents”, or works like “unique,” “exclusive” or trademark symbols.

However, departments must include enough detail in the specification so that bidders may understand what departments are requesting.

If a department wants to purchase models of equipment that they already have, departments are asked to verify if models are available to avoid bidding on discontinued models.

If sizes, weights are part of the specifications, departments must determine an acceptable range (minimum and maximum). If an item must fit into a given space, departments must indicate size of the available space.

Sample requirements must be clearly identified as a requirement in the specifications with clear instructions on how to label the samples.

NOTES

- Departments should include a statement requiring that bidders must use the attached bid form when submitting their bid. Statements should be made requiring that the bidder must include their unit price, and where applicable, the unit and total price and freight charges.
- It is not necessary for departments to stipulate that the bidder supplies a bid bond. These requirements are in the City’s General Specifications.

- Specifications for annual contracts should include a renewal option, unless otherwise stipulated. If a renewal option is included, please indicate terms and the initiating department that the vendor must contact to exercise its renewal option. For example:

Subject to approval of both successful bidder and the City of Kenner, the resulting contract may be renewed for two (2) additional years in one (1) year intervals provided all terms, conditions and prices remain unchanged. The successful bidder should notify the (initiating) Department for the City of Kenner, in writing prior to April 1, 200__ of its request to exercise the renewal option.

The early deadline is to ensure that departments have enough time to secure contracts before fiscal year end should the vendor fail to renew the current agreement*

- Specifications for Construction Projects – “Furnish and Install”: Please indicate when the work should be completed by the contractor. Ex: Completion of work should be within 30 days of the issuance of the Notice to Proceed.

**Remember to send Purchasing a copy of the Notice to Proceed so that we may know when the work should be completed. Usually this marks the termination (end) of the contract. Invoices received thereafter should be paid minus the retainage, which is usually 10 percent. Departments must prepare a resolution accepting the contract as complete in order for the 45-day lien period to commence (pay 10% retainage).

- Warranties: all workmanship, materials, services, or supplies should be warranted, where applicable. Department should require this warranty in writing and it should be submitted to the department up acceptance of the project, product, or service.
- Liquidated Damages: Liquidated Damages should be stated clearly and concisely in department specifications. Liquidated damaged usually are associated with delays in completion of projects by the contractor, improper disposal of debris, down time on equipment, etc. The amount of liquidated damages should cover “all” costs anticipated to be incurred by the City because of the delays.
- Specifications should state that a performance bond will be required for construction in all public works* contracts.

*Public works is defined as the erection, construction, alteration, improvement, or repair of any public facility or immovable property owned, used or leased by the City.

PERFORMANCE BONDS

Ensures the City that a contract, once awarded, will be completed within a fixed period of time as awarded, and further guarantees against breach of contract. Performance bonds will be required in an amount no less than one-half ½ of the amount of the contract when the contract price is estimated to be one hundred thousand dollars (\$100,000.00) or more (R.S.38:2216A).

The performance bond must be produced at the time of contract execution. If the contractor cannot produce the bond, the next lowest bidder may be awarded the contract pending Council approval.

PRE-BID CONFERENCES

Initiating departments must specify if a pre-bid conference is needed in the specifications and must include the location of the meeting. Usually pre-bid conferences are requested for large projects of special nature. The pre-bid conference is to allow all bidders to inspect the site for the project with a representative of City of Kenner and to allow questions to be answered.

The initiating department must contact an appropriate representative from Public Works if a Public Works representative is to attend the pre-bid meeting. The initiating department will also furnish the Public Works representative with copies of the technical specifications for the project.

Whenever possible, a representative from the requesting department must attend these conferences to ensure that accurate plans and answers are given to the vendors.

The Purchasing Department sets the pre-bid meeting date and time and will notify the initiating department of same. The initiating department must ensure that the appropriate representatives are aware of the date, time and location.

There are 2 types of pre-bid conferences:

Mandatory

Non-Mandatory

Non-Mandatory Pre-Bid Conference

Initiating departments must specify if a pre-bid conference is needed. However, this requirement does not need to be advertised with the sealed bid.

Mandatory Pre-Bid Conference

If the pre-bid conference is mandatory, only the companies represented by attendees may be considered for an award. A mandatory pre-bid conference must have compelling reasons and should be avoided wherever possible in an effort to increase competition.

PURCHASING MUST RECEIVE A COPY OF THE SIGN-IN SHEET OF VENDORS THAT ATTENDED THE MANDATORY PRE-BID CONFERENCE PRIOR TO BID OPENING.

*****The Sign In-Sheet, please indicate Bid Number, Bid Opening Date, Date of Conference and Description of the Items being bid*****

EMERGENCY PURCHASES

Louisiana Revised Statute R.S. 38:2212 defines an emergency as “an unforeseen mischance bringing with it destruction or injury of life or property or the imminent threat of such destruction or injury.... which requires construction or repairs absent compliance with the formalities of R.S. 38:2212 where the mischance...will not admit of the delay incident to advertising as provided in the part.”

The Mayor and the City Council are the only bodies that can certify the existence of an emergency. On rare occasions, immediate action is essential to prevent an even greater emergency situation; however, abuse of these provisions by treating situations created due to poor planning and negligence on the part of supervisory personnel as an emergency may result in appropriate corrective action.

Emergencies are justified if a situation arises in which functions of City government are hampered.

Avoidance of most emergencies is accomplished through adequate planning.

EMERGENCIES ARE HAZARDOUS TO YOUR BUDGET!

Emergencies are typically executed hurriedly, on a non-competitive basis, and usually at a premium price. Many vendors add a surcharge to expedite the acquisition of materials, services or supplies.

Emergency Purchase Procedure:

1. The Department Director must initiate an Emergency Request, polling the Council on the emergency and route it for signatures from the City Attorney’s Office and the Mayor’s Office.
2. **After the Council has been advised and all signatures are obtained on the EMERGENCY PURCHASE FORM, the requesting department must forward a copy of this form to the Purchasing Department so that a purchase order may be issued.**
3. The requesting department shall prepare the necessary legislation to be placed on the agenda of the next scheduled Council meeting for ratification of said emergency.
4. The requesting department must adhere to current procedure in routing legislation and conform to administrative and council deadlines for the Council agenda.

AWARDS OF BIDS and CONTRACTS

Council adoption of legislation is the act of awarding a bid (contracts, purchase orders).

Louisiana Public Bid law mandates that the lowest responsive bidder be awarded the contract within 45 days of the bid opening.

After bid opening, departments are sent copies of bids submitted. If they choose the lowest bidder, the department may submit the necessary legislation based upon the dollar amount, i.e. Resolution or Ordinance.

If the department chooses a bidder other than the lowest bidder, they must provide written justification to the Purchasing Department for further evaluation and determination.

Departments choosing the lowest bidder may automatically place their legislation on the agenda for the next Council meeting.

The legislation must contain the proper verbiage and include the following attachments:

Agenda Bid Tally Sheet
Copy of the Bid which department is accepting
Any other documentation relevant to that bid

Award of Purchases

Once the legislation has become effective (10 days after publication of adopted legislation) and the legislation authorizes the Purchasing Department to issue a PO, the initiating department must submit a request in the system. The department must then forward a copy of the request, and effective legislation to the Purchasing Department.

The request **must** reference the following:

Bid Number
Resolution/Ordinance Number
Effective Date

Please be advised that requisitions that do not contain this will be sent back to the department for more information.

Award of Contracts

Once the legislation has become effective (10 days after publication of adopted legislation) and the legislation authorizes the Administration to execute a contract from the bidding process, please prepare the contract and route according to administrative policy.

It is the responsibility of the initiating department to check status of the contract and ensure that the contracts are fully executed and have the required supporting documentation.

ROUTING OF CONTRACTS

All contracts are routed through various departments for the Mayor's signature. First, contracts are forwarded to the City Attorney's Office. They check for legal sufficiency in the contract as well as insurance requirements.

The Deputy CAO checks the contract for project approval before the Mayor signs the contract.

By City Charter, the Mayor is the only official that may execute contracts/agreements.

PIGGYBACK CONTRACTS (COOPERATIVE PURCHASING)

The City of Kenner requires that its own contract be executed with the vendor. Departments must contact the City Attorney's Office to ensure contracts are legally sufficient and properly executed.

Prior to the City of Kenner utilizing such contracts, a separate agreement will be prepared and signed by the service provider/vendor and the City that will include reference to parish/municipality contract, Kenner's insurance requirements, indemnity language, unit price, cap and term.

DEPARTMENTAL PURCHASING RECORDS

ALL PURCHASING RECORDS MUST BE MAINTAINED BY THE USER DEPARTMENT

The user department/division shall maintain in a centralized place (one location only) the departmental hard copies of the requisitions/purchase orders issued, properly completed and signed, together with attachments and pertinent information on the purchases made, all filed in numerical order. Voided purchase requests shall be completed and filed in the corresponding numerical order.