

NOTICE OF REVISION/CHANGE

TO

POLICY AND PROCEDURE MEMORANDUM #14

SUBJECT: CONTRACTS

TO: ALL POLICY AND PROCEDURE MEMORANDUM HOLDERS

EFFECTIVE DATE: OCTOBER 10, 1980

REVISION DATE: OCTOBER 10, 2003

This revision supersedes and replaces all previous information included in PPM #14 originally issued October 10, 1980. The current PPM is to be replaced in its entirety by this revised issue.


ASSISTANT SECRETARY

This is Revision No. 1 of this PPM with an original date of October 10, 1980.

IMPORTANT:

Insert this revision notice in the PPM file preceding all other information on this subject in order to maintain a current document file.

POLICY AND PROCEDURE MEMORANDUM NO. 14

SUBJECT: CONTRACTS

TO: ALL POLICY AND PROCEDURE MEMORANDUM HOLDERS

EFFECTIVE DATE: OCTOBER 10, 1980

POLICY:

To ensure that all OSP contracts are entered into in accordance with applicable laws and with proper authority.

PROCEDURE:

In general, most State Parks contracts must be prepared in the Administrative Office and may only be signed by the Assistant Secretary or DCRT Secretary. Specific procedures for the most common types of contracts are detailed below.

A. Contracts for Professional, Personal and Consulting Services

Contracts for professional and personal services may be awarded directly, without the necessity of competitive bidding. Contracts for consulting services for less than \$50,000 may be awarded directly. Above that amount, consulting service contracts must be awarded through the Request for Proposals process.

1. Definitions

- a. Professional services – lawyers, doctors, dentists, psychologists, veterinarians, architects, engineers, land surveyors, landscape architects, accountants, actuaries, claims adjusters.
- b. Personal services – require creative or artistic skills, such as services provided by graphic artists, sculptors, musicians, photographers, writers.
- b. Consulting services – work other than professional or personal services rendered by a contractor who possesses specialized knowledge, experience, and expertise to investigate problems or projects and to provide counsel, review, design, development, analysis, or advice in formulating or implementing programs or services or improvements in programs or services.

2. Procedure to Create - In order to create such a contract, the site manager or section head must provide the following information to OSP counsel Julia George in the Administrative Office:

- a. Contractor information
 - i. Legal name of the contractor
 - ii. Contractor's tax identification number (for an individual, this would be his/her Social Security number)
 - iii. The type of business entity the Contractor is (e.g. corporation, limited liability company, partnership, sole proprietorship)
 - iv. Contractor's legal address, phone, fax, and e-mail
 - v. The name of the person who will be signing the contract and his title
 - vi. Contact name, if different
- b. Scope of services
 - i. A description of the services to be rendered including any deliverables to be delivered
 - ii. Deadlines for receipt of the services and deliverables

- iii. The goals and objectives of the contract, an explanation of how the goals fit the agency's mission, performance indicators, and an explanation of how the services will ultimately be used by the agency.
 - iv. The name of the contract monitor; i.e., the OSP staff member who will oversee the Contractor and evaluate his performance. Also include a monitoring plan.
 - v. Whether any travel will be involved.
 - c. Payment information
 - i. The maximum amount payable under the contract
 - ii. The terms of payment, which must be tied to the delivery of services and products. Remember that only on VERY rare occasions will advance payments be allowed.
 - iii. The source of available funds from which the contract will be paid and the necessary codes. If the contract is to be paid out of 729 or Capital Outlay funds, please submit the project numbers.
 - d. Other information
 - i. If the contractor is from outside of Louisiana, submit a justification for use of an out-of-state contractor.
 - ii. If the contract is for more than \$5,000 submit information for cost-benefit analysis to show that obtaining these services from the private sector is more cost-effective than using our own employees or hiring another state agency to provide these services.
 - iii. If the contract will last more than 12 months, submit justification to prove that a multi-year contract will serve the best interests of the State by encouraging effective competition or otherwise promoting economies in state procurement.
- 3. Process for Approval
 - a. Once the legal counsel receives all of the information above, she will draft the contract and a number of other required documents.
 - b. The counsel will mail four duplicate originals of the contract and a W-9 form to the contractor with instructions.
 - c. The contractor must sign and return the W-9 form and all four copies of the contract to the legal counsel in the Administrative Office.
 - d. The counsel will then route the contracts and other documents through the Administrative Office for the necessary signatures and approvals.
 - e. Finally, the counsel will submit the entire contract package to OMF. Depending on the amount of the contract, the nature of the contract, and the source of funds to pay for the contract, there may be additional approval requirements. For more details of those requirements, refer to the DCRT OMF Policy and Procedure Manual.
 - c. Once the contract is approved, the Contract Monitor will receive a copy of the approved contract and the Notice to Proceed letter.
- 4. Procedure for Payment
 - a. If the contractor is to be paid from operating funds, the site manager or section head should submit the invoice, a coded and signed supplemental receiving report, and a copy of the approved contract for payment to Business Section in the Administrative Office.
 - b. If the contractor is to be paid from **729 funds or Capital Outlay** funds, the site manager or section head should submit the invoice, a coded and signed supplemental receiving report, and a copy of the approved contract to the

attention of Kenny Lang who will approve and process for payment through the Business Section.

5. Procedure for Performance Evaluation

At the end of the fiscal year, the counsel will call the Contract Monitor to provide information for the Performance Evaluation.

B. Contracts for services OTHER than professional, personal or consulting services

Follow usual purchasing procedures.

C. Contracts that pertain to land transactions

State Parks Land Officer Kenny Lang must handle any contract that relates to the transfer or lease of state park property or the grant of any servitude or right-of-way.

D. Cooperative Endeavor Agreements

CEAs are subject to most of the requirements for Contracts for Professional, Personal and Consulting Services. Additionally, CEAs must serve a "public purpose" and that purpose must be stated in the agreement. Additionally, if the CEA involves a transfer of public funds the agency receiving any such funds must submit a budget and an operating plan.

All Cooperative Endeavor Agreements that involve the transfer of funds, regardless of amount, must be approved by the Office of Contractual Review. The CEA will only be approved if all procedural requirements are met and

1. The transfer of public funds is required by a valid legal obligation
2. The expenditure is for a public purpose, and
3. The public benefit is in proportion to the obligations undertaken by the State.

E. Memoranda of Understanding

Only the OSP Assistant Secretary or DCRT Secretary may execute MOUs on behalf of the agency.



ASSISTANT SECRETARY