



Labor and Materials Project – Title 39 Procurements

NIGP Conference
Office of State Procurement

Examples of Title 39 Projects

- Boat Launch Repair (\$13,500)
- Installing Floor Tile (\$25,000)
- Repairs to Residence – including replacing rotten wood (\$65,000)
- Certain Roof Repairs less than \$50,000

Use OSP Memorandum 14-01 as a guide.

What does OSP procure?

- Supplies
- Services
- Major repairs

Supplies

All property, including equipment and materials.

La. R.S. 39:1556(59)

Services

The furnishing of labor, time, or effort by a contractor whose primary purpose is to perform an identifiable task.

Includes:

- Maintenance, Repair, etc. of supplies, systems, or equipment
- Routine recurring maintenance of immovable property

Excludes:

- Professional, Personal, Consulting, or Social Services. ex: Services of an architect, engineer, or landscape architect.

La. R.S. 39:1556(51)

Major Repairs

- Repairs payable with funds appropriated in the general appropriations act. (Operating Budget)
- Excludes funds transferred from operating budget to supplement a Facility Planning and Control project.

La. R.S. 39:1556(32)

Labor and Materials Contract

- Contractor is required to provide equipment or materials (Supplies)
- Contractor is required to provide labor (Services)
- Labor solely to install equipment does not constitute a Labor and Materials Contract (One-Time Buy)

Labor and Materials Process

Submit to OSP:

- Detailed Scope of Work or Project Specifications in MS Word format (.doc or.docx)
- Cost Estimate from a Recommended Contractor (if available)

Labor and Materials Process

Agency Decisions

- Liquidated Damages
- Performance and Materials Payment Bond (if applicable)
- Jobsite Visit

Traditional OSP Process

- All projects reduced to written contract.
- Performance and Material Payment Bond required.
- Contractor must record contract with Clerk of Court

Traditional OSP Process

Benefits

- More protection due to bonds, liquidated damages, etc.
- Follows Title 38 Procedure

Costs

- Increased bid price due to bonds and recordation
- Increased award time by at least 3 weeks

New Method

- Follows Title 39 procurement process
- Purchase Order is contract. No written contract.
- Performance bond at Agency discretion.
- Used for low dollar, “simple” projects.

New Method

Benefits

- Quicker. Project starts much sooner.

Risks

- Less incentive for contractor to finish on time if no liquidated damages
- Lack of bond can increase risk to agency

OSP Contacts

- Projects less than \$50,000

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- Projects \$50,000 or more

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