



Permanent Memorandum No. 77 (PM 77)

January 15, 2015

SUBJECT: PM - University Pilot Procurement Code
Right to Audit
Advertisement of Solicitations
Contract Reporting

EFFECTIVE: *Upon Publication in Louisiana Register of the Final Rule LAC 34:XIII.*
Chapters 3-25 – University Pilot Procurement Code

F. King Alexander, President 

Introduction

Permanent Memoranda (PMs) represent policies of the Louisiana State University System and are binding on all institutions of the System. This memorandum is to establish Policy pursuant to the implementation of the Pilot Procurement Code (LAC 34:XIII. Chapters 3-25). This memorandum will expire upon amendment of the final rule to include items 1, 2, and 3 below.

The Board of Supervisors of Louisiana State University and A & M College authorized the publication of the Notice of Intent for the University Pilot Procurement Code as authorized by the Louisiana Granting Resources and Autonomy for Diplomas Act, (LaGrad Act) R.S. 17:3139 et seq. The proposed rules as published in the Notice of Intent dated October 20, 2014, have been approved by the Board of Regents and the Division of Administration.

Upon approval of the Joint Legislative Committee on the Budget, LSU will adopt this Permanent Memorandum to ensure that the following discrepancies in the Pilot Procurement Code are controlled in the best interest of the state, until such time that an amendment to the final rule can be promulgated through the Administrative Procedures Act.

1. Right to Audit

All contracts will contain language to comply with R.S. 39:1629.1 as follows:

"The State Legislative Auditor, federal auditors, and internal auditors of the state or others so entitled by the state or university shall have the right to inspect and audit all data and records of the contracting entity or any subcontractor of the contracting entity related to performance with respect to this agreement. The rights of inspection and audit shall commence as of the date of this agreement and shall continue for a period of five (5) years after project acceptance or as required by applicable state and federal law. The contracting entity and any subcontractor of the contracting entity shall maintain all books and records related to this agreement for the enumerated five (5) year period."

2. Advertisement of Solicitations

LSU will require public notification for solicitations in procurement contracts:

A. Public notifications of solicitations for bids/proposals/offers/auctions/quotations shall be made through a centralized electronic interactive environment. The notice for each solicitation shall contain the name, address, email address and telephone number of the university contact person from whom detailed information may be obtained, shall describe the goods or services sought, and shall designate the forms to be used and the date, time and place for the receipt of bids/proposals/offers/auctions/quotations."

3. Reporting

The Chief Procurement Officer shall compile a report of all procurement contracts equal to or exceeding \$50,000 for goods and services or \$100,000 for information technology. At a minimum, the report shall include the vendor, amount of the procurement contract, the procurement method used, and a measurement of the savings, if any, derived from the pilot procurement program. This report shall be submitted to the Board of Supervisors on a quarterly basis.

The Chief Procurement Officer shall also compile a report for goods and services procured for less than \$50,000 or information technology procured for less than \$100,000. This report shall include, at a minimum, the number of procurement contracts executed and the aggregated amount of those procurement contracts. This report shall be submitted to the Board of Supervisors on a quarterly basis.

Annually, these reports shall be compiled and submitted to the Board of Regents and the Joint Legislative Committee on the Budget.