

LETTER BID AND CONTRACT GUIDELINES

LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT




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TRANSPORTATION & DEVELOPMENT

LETTER BID AND CONTRACT GUIDELINES
(Revised December 9, 2024)

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LATEST UPDATES

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NOTICE

These guidelines are not to be for any project for which the primary purpose or objective is the purchase or acquisition of materials, equipment, or supplies.

Purchase or acquisition of materials, equipment, or supplies shall follow standard DOTD procurement guidelines. The DOTD Procurement Manual is available on the Procurement page of the DOTD intranet.

CHANGES IN THE LAW

House Bill No. 514; Act No. 26 of the 2024 regular session increased the cost threshold for projects valued at fifty thousand dollars or less to one hundred thousand dollars, while raising the required bond amount for these projects, from fifty thousand dollars to one hundred thousand dollars.

Section 1. R.S. 48:252(A) to and 253(A) are hereby amended and reenacted to read as follows:

252. Advertisement for bids; public presentation and reading of bids; fee for bid proposals

- A. Contracts for projects with an aggregate estimated cost less than the contract limit but in excess of one hundred thousand dollars shall be let in accordance with the following provisions:

253. Bid bonds accompanying bids

- A. Every bid submitted for projects in excess of one hundred thousand dollars shall be accompanied by a bid bond guaranteed by a surety company qualified to do business in this state. The bid bond submitted shall be for five percent of the official bid amount

See Appendix C. Current Contract Requirements

House Bill No. 11; Act No. 8 of the 2023 regular session increased the contract limit from five hundred thousand dollars to one million dollars.

Section 1. R.S. 48:251(B) is hereby amended and reenacted to read as follows:

R.S. 48:251 B. Every contract exceeding the contract limit, as defined in this Subsection, for construction, maintenance, or improvement of a department facility under the provision of this Part shall be made in the name of the department and shall be signed by the secretary of the Department of Transportation and Development or his duly appointed designee and by the contracting party. The contract limit for this Part is hereby defined to equal one million dollars. No such contract shall be entered into nor shall any such work be authorized which will create a liability on the part of the state in excess of the funds available or which will be available for the project.

Act 29 of the 2015 regular session made several changes affecting final payment, sworn statements of the amount due, and bond filing:

- *If the Department does not make a final payment within one hundred days after receiving a clear lien certificate, the Department will be liable for legal interest on the balance due on the contract. La. R.S. 48:251.5(B)(1)*
- *In addition to recording the original sworn statement of the amount due in the office of the recorder of mortgages in the parish where the work is done, claimants must file a certified copy of the recorded sworn statement of the amount due, which shows the recordation date, with the Undersecretary. La. R.S. 48:256.5*
- *When a statement of claim is improperly filed or is extinguished, the person who filed the statement of claim may be required to: give a written authorization directing the recorder of mortgages to cancel the statement of claim; or file an original lien cancellation certificate with the recorder of mortgages and to submit a certified copy of the recorded lien cancellation certificate, showing the recordation date, with the Undersecretary. The original lien cancellation certificate must be filed with the Undersecretary by certified mail. La. 48:256.6 and 256.7*

STATUTORY AUTHORITY

The 2023 Legislative session changed the contract limits in LA. R.S.48:252(A)

LA. R.S.48:252(A) authorizes DOTD to solicit and accept bids for projects that have a value of **\$100,000 but less than \$1,000,000**, regardless of the funding source. This applies to operating services as well as capital outlay.

This process is commonly referred to as “letter bidding.”

Letter bids shall be advertised via the Department’s Internet website. These documents will either be bid electronically, through direct mail solicitation or by both means at the Section or District level as described in these guidelines. Federally funded projects are not allowed to be letter bid.

For projects **equal to or less than \$100,000**, use the “Department of Transportation and Development Policy for **Bidding Projects Less Than \$50,000**” found in (Appendix A) of these guidelines. All activities are to be performed under written contract.

R.S. 48:252(D) states, “Under no circumstances shall there be a division or separation of any public work project into smaller projects which division or separation would have the effect of avoiding the requirement that public work be advertised and let by contract to the lowest responsible bidder.” Therefore, a project shall not be divided or segmented into more than one project in order to avoid the regular or letter bid process.

Letter bids, as referenced in this document, are for the selection of a contractor to perform maintenance, repairs, renovation, upgrades, or preservation of on-system roads, bridges, and other DOTD facilities.

Examples of work which may be performed using the letter bid process include, but are not limited to:

1. Repairs to ferries, weigh scales, and rest areas;
2. Facility renovations, such as HVAC or carpet installation.

If you are not sure whether your project can be bid using letter bid procedures, contact the Section 42 Roadway Maintenance Management Engineer or the Section 80 Contracts Administrator for guidance.

To see additional comparisons between the various proposal and contract instrument types offered by the Department under Title 48 of the Revised Statutes, see [Proposal and Contract Instrument Comparisons.xlsx](#)

INTERNAL AUTHORITY

A District or Section wishing to advertise, let, and enter into a contract for letter bid work must first have approval from both the budgeting authority and the contracting authority for the monies intended to be utilized and the work that is to be performed. The authority necessary for approvals shall be as provided in PPM # 5 and other delegation documents.

When the funding for a letter bid project is from a District's or Section's operating budget, then the District Administrator or Section Head is the budgeting authority over those funds.

For capital outlay projects, the budget authority is normally retained by Headquarters (Maintenance Systems Management, Bridge Maintenance and Facilities Maintenance or Management and Finance's budget office). When capital outlay funds are delegated through Headquarters for a District's or Section's use, then the District Administrator or Section Head has budget authority over those capital outlay funds to the limit delegated.

All existing directives from the Secretary or Chief Engineer concerning letter bids, not in conflict with these guidelines, remain in place.

ESTABLISHING A PROJECT NUMBER

When establishing a project number for a letter bid, the requestor will use one of two systems based upon the funding source used.

- 1) **Project Systems (PS):** P.S. is used when House Bill 2 (HB2) Capital Outlay funds are required. Unless funds are used for a specific program, (i.e. Movable Bridges, Facilities, Ferry projects, etc.) the Highway Priority Program request form will be used. The W.B.S. Element, formerly known as a project number, is acquired through the Headquarters Planning Section. The requestor will properly fill out the appropriate template options available under the link, Project Number Request Forms, located on the DOTD Intranet Home page under the Office of Planning tab. The completed template form will be sent to the program manager for final approval.

Allow a minimum of 2 days for project number creation unless a review is required by the Planning Section. The following phrase, “**Letter Bid in District ##**”, will be placed in the Remarks 2 field along with the Letter Bid Date. This aids in the differentiation between a Letter Bid and Full Bid Projects.

- 2) **ERP/ Supplier Relationship Management (SRM):** Project numbers are created in the SRM program when State Operating funds are used as the financial source. For ongoing (renewable) maintenance contracts using Group 60 funds, an email request should be sent to the Section 42 Roadway Maintenance Management Engineer to create a project number. For other projects using district operating funds, a project number can be created by any of the designated district personnel with the Buyer security role in SRM. To aid in the distinction between Capital Outlay and Non-Capital Outlay funded projects, please view the following table.

Table 1 Roads and Bridges General Guidelines

Project Capitalized via PS record (state project number)	Preservation Expensed in current period via Purchase Order (SRM) or Capitalized via PS record	Maintenance Expensed in current period via Purchase Order (SRM)
Full reconstruction- lanes added	Resurfacing- with or without ancillary safety benefits	Mowing and Litter pickup
Full reconstruction- no lanes added	Reactive or Corrective Maintenance	Guardrail repair
New Construction	Fender Replacement	Cable Barriers
Superstructure Replacement		Impact Attenuators
Structure Widening		Crack Sealing
Structure Replacement		Joint Cleaning
New Structure		Graffiti Removal
Deck Replacement		Sidewalk Repair
Emergency Projects		Fence Repair
		Bridge Light Repair
		Fender Repair
		Finger Joint Repair

LETTING DATE

Upon validation of the Proposal level in Aashtoware Project Preconstruction (formerly Trans•Port), a Letting date must be created. When generating the letting date, it is important for the requesting District or Section to ensure the date created is in the proper Section-date format unique to those entities (i.e. Section 42 = 42YYMMDD).

Every effort should be made to avoid the situation in which two or more Districts or Sections have the same letting date. As a general rule, the Districts and any Headquarters Section other than Section 80 should avoid using any Wednesday letting date.

If it is necessary for a District or any Headquarters Section to use a Wednesday letting date, it should first be cleared with Section 80. If the necessity arises that two Districts must use the same letting date, coordinate with the other District and Headquarters prior to posting any files or bid results on- line.

LETTER BID FORMAT

Letter bid proposals will be similar in form to Headquarters' construction proposals and must contain "plans, specifications, and estimates." This means a letter bid proposal must include or reference approved plans; reference the applicable Louisiana Standard Specifications for Roads and Bridges (Standard Specifications) and include all current, applicable Supplemental Specifications and Special Provisions; and include specific bid items with estimated quantities. The [Table of Contents](#) for State funded projects provides a current snapshot of what may be included in a standard letter bid proposal. For some projects (e.g., mowing), approved plans and reference to the Standard Specifications may not be applicable.

When preparing a construction proposal, the District Administrator may approve the reduction of the Supplemental Specifications to the pertinent parts applicable to the work in lieu of the entire document.

Lastly, all letter bids will be approved by the District Administrator or any other individual delegated equivalent contracting authority by the Secretary of the Department. All engineering documents must be stamped by the Engineer responsible for the work. Non- engineering documents such as mowing and sweeping proposals, etc., must also be stamped by the responsible Engineers.

CONTRACTOR'S LICENSING REQUIREMENTS

Subsection 102.02 of the 2016 Standard Specifications requires that, for all projects (including letter bids) for which the project estimate is \$50,000 or more, only appropriately licensed contractors are permitted to receive bid documents and submit bids.

For further guidance on how to determine which license(s) may be used for any project, please see the [Licensing Requirements](#) document produced by Section 80 that provides the methodology for making that determination.

Also, additional information pertaining to contractors' licensing requirements, see the Louisiana State Licensing Board for Contractors Web site at <https://lslbc.louisiana.gov/contractor-search/>

LETTING CATEGORIES

Licensing Categories are now required to be listed in the Notice to Contractors section of the proposal. The following Boxes listing the Licensing Classification(s) shall be used if applicable:

Table 2 Required Language for every Proposal

<p>PROJECT CLASSIFICATION</p> <p>Bids shall be accepted from Contractors who are licensed under LA R.S. 37:2150-2192 for the classification of [XXXX], [YYYY], or [ZZZZ].</p>
<p>PROJECT CLASSIFICATION</p> <p>There are no licensing classifications designated for Mowing/Sweeping projects.</p>

ADVERTISEMENT AND SOLICITATION OF BIDS

The letter bid proposals shall be sent to a minimum of three qualified potential bidders at least ten (10) calendar days prior to the scheduled bid opening. With the exception of projects valued **at or under \$100,000** (Appendix A), all letter bid advertisements, will be posted to the DOTD Website for no less than ten (10) calendar days prior to the letting date; it should not be posted until the bid package is available. Proposals and separate plan sets, if applicable, shall also be posted to the DOTD Website, via the Falcon system, for public viewing. Make sure the advertisement found in the proposal Notice to Contractors matches the District's advertisement posted on-line; both should be identical. The letter bid proposal shall be complete and shall contain all information necessary for the contractor to complete the bid and submit it in an appropriate, timely fashion. Specific and clear bid delivery instructions must be contained in the Notice to Contractors and on the bid envelope provided to the contractor. Districts and Sections are required to use the "Aashtoware Project Preconstruction" system and the schedule of items produced by the Aashtoware Project Preconstruction system for the letter bid process. In addition to the minimum of three (3) bid packages, bid documents shall be issued free to appropriately licensed potential bidders upon request and processed in the same manner as the selected potential bidders. The contracting authority shall post to the DOTD Website both the Prospective & Information Only bidders.

The DOTD authority issuing the Bid Proposal and Bid Returnable envelope should write in both the contractor's company name and license number in the appropriate spaces located on both the Bid proposal and Returnable envelope. This information should be written "exactly" as it appears on the Louisiana State Licensing Board for Contractors Web site (see above web address).

If for some reason a contractor's Bid Returnable envelope has become misplaced by the contractor or destroyed, the contractor may contact the Issuing Authority to request a replacement envelope. If it's not possible to secure a replacement envelope by the Department, the bidding entity may use a suitable replacement envelope that identifies the following features: the project number, the name of the company in which the document was issued, the company license number as listed on the proposal's bid returnable document, along with the company's mailing address and phone number. Paper Bids will not be accepted by the bidding authority if the bidding proposal was not issued by the Department.

The bid proposal should be stamped or mechanically noted: **"FOR BID"** on the bottom portion of the Bidder Signature Requirements page of the proposal. If the proposal is to be issued for Information purposes only, the proposal cover and signature pages should mechanically state, **"NOT FOR BID"** or **"FOR INFORMATIONAL PURPOSES ONLY"**. This allows the Department to track who is bidding and who is not. It also prevents a company who is not eligible to bid from bidding. These functions will be performed by the District or Section Bidding Authority issuing proposal documents.

Letter bid documents shall not be issued within 24 hours of the scheduled time for opening.

ELECTRONIC BIDDING

The Districts now have the ability to bid various types of projects electronically. Contact Mr. Jason Dunlap, IT Management Consultant, AASHTOWare Project™ Team at jason.dunlap@la.gov or by phone at (225) 379-1619 when your District is ready to perform this bidding role.

ADDENDA

Letter bid addenda are prohibited by law, except to withdraw the advertisement for bids. If an error is found in the letter bid proposal, then the advertisement for that project must be canceled and rescheduled for a later date, which allows corrections to be made.

CLARIFICATION LETTER

A Clarification letter is not an addendum and may be used for providing further explanation regarding ideas and concepts found in the proposal and not intended to materially alter a project's scope of work. When used, the letter must be posted to Falcon and a hard copy must be placed between the title sheet and table of contents of the construction specifications package.

If there are any questions about the proper use of this document, contact the Section 80 DOTD Contracts Engineer Manager for further guidance.

ANSWERING QUESTIONS ON FALCON

All questions concerning the plans shall be submitted via the Electronic Plans Distribution Center known as Falcon. All submitted questions will be forwarded by email to the Project Manager and the Project Engineer. Questions submitted within 96 hours of the bid deadline may not be answered prior to bidding.

Falcon may be accessed via the Internet at <http://wwwapps.dotd.la.gov/engineering/lettings/> If you do not have security to open this site, submit an IT Help Desk Ticket to acquire permission.

Lastly, to avoid any suggestion that a potential bidder is using the Falcon system to communicate with other potential bidders, DOTD will not post any question or any statement of fact or opinion not made for seeking clarification of plans and/or specifications. Any non-questions posted on Falcon will be limited to the statement of an issue considered unresolved by a previous DOTD response.

BID OPENING

On the morning of the bid, check the Department's Disqualified list of Contractors & Sureties to ensure contractor bidding eligibility. This list may be found on: http://ladotnet/hwy_docs/Disqual_Table.pdf

Sealed bids shall be received at the advertised location prior to the scheduled time for opening. The contractor's license number must appear on the bid envelope, except in cases in which a contractor's license is not required (see Section on contractor's licensing requirements). At the specified time and location, the letter bids received shall be publicly opened and read or presented for viewing.

However, it is advisable, when paper bids are used, that the bidding authority create a visible separation between themselves and the bidders while opening and processing the tentative bid(s) to avoid undue distractions or issues created by the bidder(s).

Bids received after the designated time for the bid opening, or which do not contain the license number (when required) on the sealed envelope, shall be returned to the bidder unopened.

BID PROCESSING

All bids shall be evaluated for completeness and for irregularities that may be present in the bid. If the contracting authority has a question concerning the adequacy of a bid received, one of three parties may be contacted for guidance:

The Section 42 Roadway Maintenance Management Engineer, the Section 80 Contracts Administrator or the Office of General Counsel.

Each item on the Aashtoware Project Preconstruction produced schedule of items must be completed by the contractor in dollars and cents, and an authorized company officer or agent must sign the proposal. The bid must be submitted under the proper name of the company bidding and performing the work. As stated earlier, if the issuing authority fills in the company name and license number upon initial issuance, the proposals validity will not be in question.

Low bids for \$1,000,000 or more cannot be awarded. Projects with an estimated low bid nearing \$1,000,000 or more should be let through Headquarters. **Furthermore, if the lowest bid should come in equal to or below the \$100,000 threshold, the contracting authority must award the contract in keeping with the original bid process.**

BID BOND

A Bid Bond is required when the bidder's total bid amount, as calculated by the Department in accordance with Standard Specifications Subsection 103.01, is greater than \$100,000. When used, the required bid bond document included in the letter bid proposal must be completely filled in and signed by the bidder and the agent representing the surety company. The bond value must be at least five percent (5%) of the bid value submitted.

The bid bond must be on the "Bid Bond" form provided by the department, on a form that is materially the same in all respects to the "Bid Bond" form provided by the department, or on an electronic form that has been approved by the department prior to submission. No other form of security will be accepted.

The bid bond must be filled in completely; must be signed by an authorized officer, owner, or partner of the bidding entity; must be signed by the surety's agent or attorney-in-fact; and must have a notarized power of attorney document properly attached, naming the agent as an authorized representative of the surety company. No condition or limit below the project value shall be assigned to the bid bond or power of attorney.

The bid bond must be written by a surety or insurance company licensed to write surety bonds in Louisiana and meets the requirements of R.S. 48:253.

See Standard Specifications Subsection 102.09 for other bid bond requirements.

The bid bond of the successful low bidder shall be kept until the contract, satisfactory bonds, and all other contract documents are fully executed and returned to DOTD; and then the bid bond shall be returned to the bidder with his copy of the executed contract. If the executed contract documents were transmitted electronically, the bid bond may be mailed separately or destroyed if requested in writing by the successful bidder. The bid bonds of unsuccessful bidders will be destroyed not later than 60 days after receipt of bids.

If a bidder submits a check or money order in lieu of a bid bond, the bidder will be ruled irregular and the check or money order will be returned to the contractor following the letting.

When notice of a bid mistake and a request to withdraw the bid is made, the bid bond must remain in full force and effect until and unless the Secretary determines that the conditions of Standard Specifications Subsection 102.13.1 have been met. If the Secretary determines that an error that meets statutory and contract requirements occurred in the preparation of the bid, the bid bond will be returned to the bidder.

If all bids are rejected, all of the bid bonds should be kept for a minimum of 60 days, and then the bid bonds should be destroyed.

These provisions do not apply when forfeiture of the bid bond is warranted. See R.S. 48:253 and consult the Office of Legal Counsel for forfeiture of the bid bond.

BID REVIEW

The bid price for each item on the schedule of items for each bidder shall be entered into the Aashtoware Project Preconstruction system. When a bid is opened and determined by the contracting authority to be irregular, the reason for the irregularity shall then be entered into the system. The official bid dollar value for all proposals received shall be as calculated by the Aashtoware Project Preconstruction system.

At the discretion of the District Administrator, a bid review team may be formed to discuss and analyze the low bids received in light of the prices indicated, market condition, competition, and percent overrun or underrun as compared to the Department's estimate. The team members will be assigned by the District Administrator. Based on the review, the bid review team or individual will recommend and justify an award or rejection decision in writing.

Whether or not a bid review team is employed, low bids may be rejected for any of the following reasons:

- 1) the bid is irregular/nonresponsive in accordance with Standard Specifications Subsection 102.08,
- 2) on DBE Goal Projects, the bidder fails to submit the required information to satisfy the DBE requirements,
- 3) the low bidder does not agree to mutually extend the period required for Award of Contract as specified in Standard Specifications Subsection 103.02, or,
- 4) the low bidder successfully withdraws the bid in accordance with Standard Specifications Subsection 102.11, or
- 5) the low bidder is prohibited from bidding or working on any federally funded project by FHWA.

See R.S. 48:252 E. dictates the process to use for a non-responsible bidder.

R.S. 48:252E. If the department proposes to disqualify any bidder, on grounds that such bidder is not a responsible bidder, the department shall:

- (1) Give written notice of the proposed disqualification to such bidder and include in the written notice all reasons for the proposed disqualification.
- (2) Give such bidder who is proposed to be disqualified the opportunity to be heard at an informal hearing at which such bidder is afforded the opportunity to refute the reasons for the disqualification.

In addition, bids may be withdrawn or be the subject of a protest. A bidder may withdraw its bid if it contains "patently obvious mechanical, clerical, or mathematical errors . . . if clear and convincing sworn, written evidence of such errors is furnished to the Department within seventy-two (72) hours of the bid opening, excluding Saturdays, Sundays, or other legal holidays." La. R.S. 48:255 C and Standard Specifications Subsection 102.13 provide guidance for the procedures to follow for withdrawals and other

bid protests. Consult the Office of General Counsel for questions regarding bid withdrawal or other bid protests.

The District's Contracting Authority may award a contract when the bid amount falls between the ratio of +10 % above or -25% below the estimated cost of the project; otherwise, written justification shall be provided to the Budget Authority (District Administrator) for approval when District funds are used. When Non – District funds are used, approval should come from the program manager.

Table 3 Justification Table

Justification Required	<ul style="list-style-type: none">• When low bid is less than the estimate by more than 25%• When low bid is greater than the estimate by more than 10%
No Justification Required	<ul style="list-style-type: none">• When low bid either falls: 25% below the estimate or 10% above the estimate

NOTICE OF OFFICIAL BID RESULTS

The official Letting Results and Bid Tabulations, as calculated by the Aashtoware Project Preconstruction system and approved by the contract authority, shall be posted to the DOTD Web page.

NUMBER OF CONTRACTS

The number of duplicate original contracts required equals one plus the number of parishes in which work is done. The first duplicate original is kept by DOTD. The rest will be recorded in the Clerk of Court's office in each parish in which the work is to be performed. At least two duplicate original contracts must be produced for each project. View the Recordation Section for further guidance.

CONSTRUCTION OF CONTRACT DOCUMENTS

Prior to 2009, the construction contract took the form of a single document that consisted of a proposal modified with a revised (contract) cover, updated table of contents and Department vetted contract schedule of items.

Also, three (3) pages with contractual language were inserted at the rear of the document and the bid bond was replaced with a payment, performance, and retainage bond.

In 2009, Headquarters replaced the single contract document with a two (2) part, stand- alone, contract system comprising of the Construction Specifications package or Spec. Pack and the "Contract Instrument" traditionally, although incorrectly referred to as "The Contract". Moving forward, contract documents

shall be comprised of two (2) separate stand-alone documents (Construction Specifications & Contract Instrument) that are uniform in structure and appearance as those documents produced by the Contracts & Specifications Section, Section 80.

The Construction Specifications package is the project proposal modified to reflect the agreed upon terms present during the time of bid and award. This document is distributed once to all applicable parties and is intended to be used as a file resource. Examples: [Construction Specifications \(Paper\)](#) and [Construction Specifications \(Electronic\)](#).

Please notice the changes made to the Document cover, Table of Contents, and Returnable Pages.

CHARACTERISTICS AND ORDER OF CONSTRUCTION SPECIFICATIONS:

- a) The proposal cover will maintain its general appearance but be stamped with the following information:

Table 4 Construction Specifications Stamp

<p>“Construction Specifications” (Construction proposal modified to include any addenda, any DBE CS-6AAA Forms, Schedule of Items with bid prices, any additional required returnables, copy of Construction Proposal Signature and Execution Form.)</p> <p>Letting Date: _____</p> <p>Checked By: _____</p>

- b) The Table of Contents of the Construction Specifications will be modified to reflect what was changed.
- c) Page numbers in the Table of Contents and in the document body shall be alpha numeric in appearance (i.e. A-1) or uniformly numbered (i.e. 1, 2, 3,) as used for Mowing projects.
- d) The body of the documents will remain unchanged.
- e) The Returnables cover page will remain unchanged.
- f) The Bid Bond Document will be removed.
- g) The Aashtoware Contract Schedule will be inserted and may be left un- numbered.
- h) If a Paper Bid, the last two pages of the Specification – The Construction Proposal Signature and Execution Form & Bidder Signature Requirements pages will remain. If bid electronically, the last two pages referenced above will be removed and replaced with Bidx Detailed Bid Reports.

The Contract Instrument (Contract) is the contractor and Department executable document. This document is distributed one or multiple times (if a renewal contract) to all applicable parties. The Department maintains an original document, while parts of each subsequent original document will be filed in the respective Clerk of Court in the parish where the work is being conducted. Examples: [Contract Instrument \(Paper\)](#) and [Contract Instrument \(Electronic\)](#)

Please notice the differences found in the bidder information pages found in each document.

Characteristics and Order of Contract Instrument:

- a) Department personnel will create the contract cover. This page will never be Stamped and Signed by the responsible engineer. See Example Contract Instrument.
- b) The most recent contract Pages from the Contracts & Specifications Site, located on the Intranet will be used in the following sequence: CS-15B, CS- 15BB & CS-15BBB.
- c) On Contract page CS-15BBB, the title “Secretary” will remain. The District Administrator will sign for the Secretary.
- d) On Contract page CS-15BBB, the title “CONTRACT SERVICES ADMINISTRATOR” will be removed from underneath the Approved by signature line. This line shall be filled out by someone designated by the District Administrator and is familiar with the work.
- e) If a Paper Bid, the last two pages of the Specification – The Construction Proposal Signature and Execution Form & Bidder Signature Requirements pages will be used. If bid electronically, the last two pages referenced above will be removed and replaced with Bidx Detailed Bid Reports.
- f) Aashtoware Contract Schedule.
- g) Payment, Performance and Retainage Bond forms will be used in the following sequence, CS-16A and CS-16AA. Upon execution by the contractor, a Power of Attorney shall be attached.
- h) Page numbers on the cover page, table of contents and in the document body shall have the following appearance (Page 1 of #) or uniformly numbered (i.e. 1, 2, 3, etc).

AWARD OF CONTRACT

Although DOTD has 45 days to award the contract, due to the nature of letter bids, the contract should be awarded to the low bidder within 15 days of the bid opening, if possible. The award shall be in writing and the bidding authority shall transmit the un-executed contracts and any other required information/documents to the contractor in order to execute their portion of the contract. The contract package sent to the contractor shall include an Award Letter, an unsigned Contract(s) Instrument, Construction Specifications, [State Supplemental Package](#) (as described in the paragraph below), and a full size set of Plans if applicable. Paper or electronic documents may be submitted to the contractor.

If documents are submitted electronically, get an electronic read receipt as proof of submittal.

Before awarding any contract to the lowest bidder, verify that there are no pending issues that will require resolution by viewing both the “Search for Louisiana Business Filings” located on the Secretary of State’s web-site: <https://www.sos.la.gov> and the “Search Records” search window found on

The Federal System for Award Management/(SAM) located at sam.gov

If the low bidder is not in good standing with the Secretary of State’s web site, allow the contractor a reasonable amount of time (one business day) to resolve the issue. Contact the Section 80 Contracts Administrator with any questions.

CONTRACT EXECUTION BY THE CONTRACTOR

The contractor shall execute the contract, contract receipt acknowledgment, power of attorney or corporate resolution, affidavit, signatory authorization form, and bidder’s affidavit. The contractor shall return the properly executed contracts, along with satisfactory bonds, proof of all required policies of insurance, and any other required information or documents, within 15 calendar days after transmittal to the bidder. Please note that if the contract package is e-mailed to the contractor, an electronic read receipt may be used in lieu of a Contract Receipt Acknowledgement form.

DOTD may cancel the award of contract at any time before the execution of the contract by all parties if:

- a) any of the just cause conditions of Standard Specifications Subsection 103.01.2 are met.
- b) the low bidder fails to agree to mutually extend the period required for issuing the Notice to Proceed in accordance with Standard Specifications Subsection 103.08.
- c) the contractor fails to execute the contract, satisfactory bonds, proof of insurance, and to supply good and solvent bond in the allotted time.

The DOTD District or Section may then award the letter bid to the second low bidder or rebid the work. Copies of all award letters must be sent to the State Licensing Board for Contractors, Attention Compliance.

PAYMENT, PERFORMANCE AND RETAINAGE BONDS

At the time of execution of the contract, the successful bidder shall furnish the following performance and payment bonds and may, at the successful bidder's option, furnish a retainage bond.

1. Payment bond in a sum equal to one hundred percent (100%) of the contract amount.
2. Performance bond in a sum equal to one hundred percent (100%) of the contract amount.
3. Retainage bond in a sum equal to five percent (5%) of the contract amount for contract amounts **greater than \$500,000** unless an election is made to have the Department withhold five percent (5%) of the contract amount; and, retainage bond in a sum equal to ten percent (10%) of the contract amount for contract amounts equal to or less than \$500,000 unless an election is made to have the Department withhold ten percent (10%) of the contract amount.

The bonds must be written by a surety or insurance company that is licensed to write surety bonds in Louisiana and meets the requirements of R.S. 48:255.

A surety or insurance company that is on the U.S. Department of Treasury Financial Management Service List of Approved Sureties will write most bonds.

The Approved Sureties list is published annually in the Federal Register and can be accessed at [Bureau of the Fiscal Service - Surety Bonds](#).

Check to see that the surety company is on this list and is licensed to do business in Louisiana and that the surety's underwriting limitation is greater than the total bond amount.

Table 5 Surety Verification - Surety Bonds, U.S. Dept. of Treasury

Acme Insurance Company (NAIC #12345)

BUSINESS ADDRESS: 1313 MOCKING BIRD, SUITE 1100, HOLLYWOOD, CA 90210. PHONE: (731) 218-0800. **UNDERWRITING LIMITATION b/: \$9,449,000.** SURETY LICENSES c,f/: AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY. INCORPORATED IN: California.

If the surety company's name is not on the U.S. Department of Treasury Bureau of the Fiscal Services' List of Certified Companies, or if you have any questions about bonding, please call the Project Control unit of Section 80 for further assistance.

The performance bond shall be written to cover and benefit only the DOTD and its successors or assigns. No other person shall have any right of action against the bond.

All signatures required on any paper “Bond Form” must be original signatures, in ink; no mechanical reproductions or facsimile of required signatures will be accepted.

Each bond must be returned by the contractor with the executed contract.

INSURANCE

Proof of insurance meeting the requirements of Standard Specifications Subsection 107.02, with the following exception, must be supplied with the executed contract.

- a) The minimum insurance requirement for Commercial General, Business Automotive, and Owner’s and Contractor’s Protective (OCP) liability for projects valued under \$500,000 is \$500,000.00.
- b) The minimum insurance requirement for Commercial General, Business Automotive, and Owner’s and Contractor’s Protective (OCP) liability for projects valued between \$500,000 and \$1,000,000 is \$1,000,000 as specified on table 107-1 of the latest version of the Louisiana Standard Specifications for roads and bridges.
- c) **For non-highway/non-bridge contracts under \$100,000, an OCP Policy is not required.** For these instances, the State of Louisiana, Louisiana Department of Transportation & Development must be added as an additional insured to all Commercial General Liability policies

See Standard Specifications Subsection 107.02, Table 107-1 for Insurance Requirements for Maintenance Mowing.

See [Guidance For The Appearance of Insurance Certificates](#) for document examples.

The above exceptions do not apply to Maintenance Mowing. Maintenance Mowing insurance rates remain as defined in the Standard Specifications Subsection 107.02; Table 107-1 Insurance Requirements. Umbrella Policies may be used to provide additional limits for CGL and Auto only. In this case, you shall verify the scope of the umbrella on a regular CGL/Auto/WC certificate; especially when the umbrella limit is used to meet the limit requirements of the CGL or Auto Coverage or both.

The insurance policies shall be in effect until final acceptance of the contract. It is the contracting authority’s responsibility to verify each insurers rating on **A.M. Best** for General Liability, Automotive, Umbrella, Workers Compensation, and OCP policies to ensure proper coverage. Standard Specification Subsection 107.02 further defines the required ratings for each level of insurance. A.M. Best rating of the insurance companies can be checked at www.ambest.com.

Also, to ensure that the sureties affording coverage are able to do business in the State of Louisiana, please check the Louisiana Department of Insurance’s [Active Company Search](#). If a company isn’t present on this site, advise the contractor to use another company.

CONTRACT EXECUTION BY THE DOTD

The DOTD District or Section should execute the contract within 10 days of receipt of the signed contract and all required documents from the contractor. Execution of the contract by DOTD should not occur any later than 20 calendar days after receipt of all required contracts executed by the bidder.

If DOTD does not execute the contract within 20 calendar days after receiving the bidder's executed contract documents, the bidder may withdraw his bid without penalty.

NOTICE TO PROCEED

The contracting authority should issue, or cause to be issued, the Notice to Proceed within 15 days of contract execution by the DOTD. Unless all parties agree to an extension in writing, the Notice to Proceed must be issued within 60 days of contract execution. If this requirement cannot be met for any reason, contact the Construction Contracts Unit of Section 80 for assistance.

RECORDATION

For projects valued **at or less than \$50,000**, recordation is not required per La. R.S. 48:256.3.

For operations funded contracts that are valued **greater than \$50,000**, the District or contracting authority shall have an original of the contract recorded in the Clerk of Court's office of the recorder of mortgages in each parish in which the work is to be performed. Recordation of the contract should occur within five days of the issuance of the Notice to Proceed. The District or contracting authority will maintain an original contract document for the Department. The contractor and his surety shall be sent either an electronic or a hard copy of the fully executed contract; other executed copies may be distributed as necessary within the District or Section.

For capital outlay funded contracts, the contractor and his surety shall each be sent a copy of the fully executed contract; other executed copies may be distributed as necessary within the District or Section. Copies must also be sent to the Estimates Section and to the State-Aid Unit of the Project Financing Section at Headquarters. All duplicate originals of the executed contract must be transmitted to the Headquarters Accounting Section. The Accounting Section will record the contracts and maintain an original of the contract for DOTD.

At the minimum, the following documents are to be filed with the Clerk of Court's Office for both Operations and Capital Outlay projects:

- a) Three (3) Contract pages, CS-15B, CS-15BB and CS-15BBB.
- b) Two (2) Payment, Performance & Retainage Bond Pages, CS-16A and CS-16AA.

- c) An original Power of Attorney/Bond Power.
- d) A final Acceptance Letter.

The contract and bonding pages may be found on the Intranet under: Contracts & Specifications: [Construction Contract Forms](#).

PLAN CHANGES

A Change Order Category Worksheet document must be processed for all plan changes. A copy of this worksheet, the Plan Change and/or Special Agreement form and the latest copy of [EDSM No. III.1.1.1](#) that governs the Procedures for Changing Contract Plans and Specifications for Construction Work Performed by Contract can be accessed from [Plan Change Form](#). Both the budget authority and the contract authority must approve all plan changes. For all plan changes resulting in a change in the contract amount of less than \$500,000, the requirements of the worksheet will apply.

Plan changes that raise the total contract amount to \$1,000,000 or more will become Category 1 by default, requiring the approval of the Chief Engineer or the Assistant Secretary of Operations.

Plan changes increasing project costs to above \$1,000,000 will only be approved if determined to be absolutely necessary and unavoidable and if the contracting authority supplies sufficient written justification.

Plan changes for Category 1 contracts must be limited to situations arising after the receipt of bids. Plan changes must not be used to reduce the scope of the project due to budget limitations that existed prior to the award of the contract. Any plan changes outside the scope of contract in excess of \$1,000,000 must be let out for public bid as provided by R.S. 48:255.B.(7).

Contract Form CS-15B: CONTRACT DOCUMENTS

The contract consists of the "Contract Documents" including but not limited to the following:

- a) Agreement (This Instrument)
- b) Vendor's Bid Information Sheet or Construction Proposal Signature and Execution form
- c) Louisiana Standard Specifications for Roads and Bridges, 2016 Edition (hereafter referred to as "2016 Standard Specifications")
- d) Project Construction Proposal (Notice to Contractors, Special Provisions, Supplemental Specifications, Schedule of Items)
- e) Plans
- f) Plan revisions

- g) **Zero (0)** Addenda made or issued prior to receipt of bids
- h) Payment, Performance and Retainage Bonds or Retainage Agreement
- i) Change orders {Change Order No. 01; (Month/Day/Year), Change Order No. 02; (Month/Day/Year)}

When a Change Order is used to update a contract's cost; especially in any one-renewal period of a renewal contract, no part of the schedule of items should be altered. The schedule of items reflects the original pricing vetted and approved by the Department; the Change Order is intended to reflect the actual change.

In addition, any change or alteration made by a Change Order should either reflect a one- time change to a single renewal document or for the life of a renewal Contract that covers the current document and all subsequent renewals when warranted.

SUBCONTRACTING

A contractor may subcontract a portion of a letter bid contract with written approval.. If a subcontract is \$50,000 or more, both the contractor and subcontractors are subject to the rules and regulations of the State Licensing Board of Contractors. Ensure the contractor is issued guidance found in the State Supplemental package containing [Required Subcontractor Guidance](#).

The State Licensing Board for Contractors must be copied when approval is given to the subcontract request. Contact the Compliance Programs Section for further guidance.

FINAL ACCEPTANCE AND PARTIAL ACCEPTANCE

For all traditional, non-renewal projects, a final acceptance letter shall be issued. The Secretary or his duly appointed designee, must execute the final acceptance within 30 days of completion of all the work on the project.

Final acceptance letters for renewal projects, in most cases, are unnecessary and traditionally not issued. Renewal contracts purposely contain alternate Contract Time language used in the proposal, construction specifications and contract instrument that states how many renewal periods are permitted, while further defining how many contract renewal periods remain, up to the allowable maximum of four (4), in the contract instrument.

This language also provides a defined beginning and ending period for each contract instruments issued. This information is of particular importance to bonding companies providing coverage for renewal work. In most cases, bonding companies will accept the alternate contract language in lieu of a formal final acceptance letter; however, on very rare occasions, a formal final acceptance letter may need to be drafted.

Partial acceptance is when the Department determines, after final inspection of a portion of a project, that the contractor satisfactorily completed that portion of the project; and that the completed portion may be used by traffic or for other use. When partial acceptance is made, the terms of acceptance shall be set forth in a change order that is mutually agreed upon by the engineer and the contractor.

Upon completion of all of the work, the Undersecretary or his duly appointed designee must record the final acceptance or a partial acceptance of any specified area in the Clerk of Court's office of the recorder of mortgages in the parish where the work was done. Thereafter, notify the contractor that the acceptance has been recorded.

A Final Acceptance notice form is included in (Appendix B) for that purpose. Modify the form to fit your project.

PAYMENTS

For capital outlay funded contracts, payments and associated matters will be undertaken by the Financial Services Section at Headquarters. For operations funded contracts, the District or contracting authority will be responsible for those functions.

For letter bid projects (**\$100,000 to \$1,000,000**), final payment can be made only if there are no recorded liens against the project's funds.

A lien on a DOTD project is a sworn statement of claim by a claimant (subcontractor, supplier, lessor, survey, engineer, or licensed architect), stating that the contractor failed to pay that person or entity. The law requires such claims to be recorded with the Clerk of Court in the parish where the project was performed within 45 days after the Notice of Final Acceptance is recorded with that same Clerk of Court. Once a claim is recorded, the claimant must send a "certified copy" of the recorded claim to the Undersecretary of the Department.

Any liens received by anyone at Headquarters or at the District must be immediately forwarded to "The Office of the Undersecretary, Louisiana Department of Transportation and Development, P.O. Box 94245, Baton Rouge, LA 70804- 9245." The lien documentation shall be sent with a cover letter stating the Project Number (if applicable), the Project Name, the District and the District contact person. Please be advised that time is of the essence with liens. If The Office of the Undersecretary does not receive in time, the Department shall be liable for any payment made prematurely.

The Undersecretary's office logs in all liens and forwards the lien documentation to Legal for validation. If Legal receives a lien that does not show the Project Number or Project Name, it will contact the claimant or the District where the lien originated to obtain this information.

Once Legal validates the lien, Legal will forward the documentation to the Accounts Payable Section of Financial Services. The Accounts Payable Section will hold any payment owed to the vendor for this specific project (plus 25 percent) until the lien is satisfied or cleared.

If the Accounts Payable Section of Financial Services receives a lien from Legal without the information requested above, they will contact each ADA of Business via email to identify the District where the lien originated before they can process the lien.

If final payment is made without obtaining evidence that the lien or liens have been cancelled, the Department becomes liable for the amount of the claim up to the amount of funds the Department failed to withhold.

When a lien is cancelled, a certified copy of the recorded lien cancellation certificate, showing the recordation data, must be submitted to the Undersecretary of the Department.

A contractor must provide the Department with a Clear Lien Certificate after 45 days from the recordation of the Notice of Final Acceptance. A Clear Lien Certificate verifies that there are no liens filed against the Project. Like lien cancellations, Clear Lien Certificates must be submitted to the Undersecretary. The Undersecretary's office logs in the Clear Lien Certificate or the lien cancellation certificate and forwards it to Legal for review and validation.

Once Legal validates the Clear Lien Certificate or the lien cancellation certificate, it forwards it to the Accounts Payable Section, which will release any funds it is holding to the contractor. **This process can only be performed by the Accounts Payable Section in Financial Services; it cannot be performed by the District Business Office.**

In the event that a clear lien certificate is presented prior to the 45-day waiting period, the contractor must secure a new clear lien certificate after the 45-day period following the recordation of the project's acceptance.

IMPORTANT: Review the clear lien certificate to ensure that all liens have been canceled. If any liens or other encumbrances are noted on the certificate, contact the Office of General Counsel.

The lien reserves for any liens not canceled must be maintained until the lien is canceled or the money is placed into the registry of the court in conjunction with a concursus proceeding (see R.S. 48:256.8).

If a project is equal to or less than \$100,000 and Seventy-Five Percent (75%) or more of the entire project price is to be included in the final payment, and the work was performed to the Department's satisfaction, pay the contractor. Do not wait for a clear lien certificate.

CONTENT MANAGER

All contractual documentation will be uploaded into Content Manager for the purpose of creating a permanent electronic record accessible to anyone needing easy retrieval of historical information. The following documents are examples of the many pieces of information that will be placed into this database, they are:

- Award Letters
- Specifications Packages
- Supplemental Document Packages
- Signed Contract Agreements
- Insurance documents
- Notice of Contract Execution Letters

- Notice To Proceed Letters
- Final Acceptance Letters
- Change Orders/Plan Changes if applicable

GENERAL NOTE

The above guidelines are subject to change, and such should be anticipated. Variance from these guidelines is occasionally going to be necessary but should only be undertaken with approval of the Chief Engineer or Assistant Secretary of Operations.

Distribution of copies of various documents is primarily left to the discretion of the contract authority at the District.

APPENDIX A

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT POLICY FOR BIDDING PROJECTS LESS THAN \$50,000.00

NOTICE: This policy was implemented to only address projects with cost estimates equal to or less than \$50,000.00. **However, Act 2024 No. 26, the maximum project limit was changed to \$100,000 or less.** Contractors selected for bidding must be competently able to perform the work; however, they are not required to be licensed by the Louisiana State Licensing Board for Contractors **if the project cost is less than \$50,000. If the project cost is \$50,000 or greater, only contractors licensed appropriately for the classification of work are permitted to receive bid documents and submit bids.** Also, bid bonds are not required at this level of bidding; therefore, contract documents will not be recorded in the municipality where the work is to be performed. Instead, the Headquarters (H.Q.) or District Bidding Authorities (B.A.) will be responsible for maintaining all original documents electronically, on Content Manager or its equivalent when it is introduced, and by hard copy if the District desires.

Please remember when using this policy for bidding work, it is not intended for the purchase or acquisition of material, equipment or supplies. Also, under no circumstances shall this type of project be divided into smaller projects to reduce the estimates below **\$100,000.00.**

The bidding format provided by this policy may be utilized in one of two ways depending upon the need of the HQ or District (B.A.).

For standard bidding, it provides for a minimum advertisement period of three (3) days for projects that are of a short duration. The B.A. will issue a bid invitation to a minimum of three (3) qualified bidders. It is preferred that local contractors be considered first; however, other contractors outside of the District may be selected if it is not feasible to use local companies.

When necessary and with the expressed approval of the District Administrator (D.A.) or his equivalent, a sole contractor may be sourced based upon, but not limited to, the following criteria:

- a) Local contractors should always be considered first. But, if they are unavailable or lack the skill set required to perform the work, contractors from outside the District may be used.
- b) When the contractor who installed a system has unique knowledge or specific training required to maintain or update that system.

- c) When the immediacy of the work to be performed supersedes the feasibility of the advertisement.

When constructing the solicitation and subsequent contract instrument, please use the following steps.

- a) A DOTD project number must be assigned for this work. Before this number is created, project funding, either Capital Outlay or State Operating funds, will determine whether the project number is created in Project Systems (P.S.) or Supplier Relationship Management (S.R.M.).
- b) Once the project requirements or specifications and/ or plans have been constructed, either in a one or two page attachment, or in an optional standard proposal format using the Aashtoware schedule of items, send either format, along with a cover letter to the contractor. See [Request for Bid Template](#)

NOTE: The preferred format used is the one with the company letterhead and not the bid proposal format.

- c) Upon receipt of the contractor's acknowledgement of the proposed work and their bid amount, stated either on their company letterhead, or in the form of bid returnable documents, the Department will validate this information and select the lowest bidder.
- d) Once the lowest bidder has been selected and their bid amounts verified, a contract Instrument, along with either the company letterhead stating the company's proposed bid or the contractor's Construction Proposal, Signature and Execution form, from the bid returnable documents and the Aashtoware Contract Schedule, shall be created and submitted to the contractor for their execution of the contract instrument. See [Combined Non-Executed Contract and Transmittal Letter](#) .

To view a document that was sent to the contractor, see Example [Combined Non-Executed Contract and Transmittal Letter](#) .

- e) Upon receipt of the contractors executed documents, check to make sure all contract instrument documents returned are identical, their insurance is correct along with their retainage bonding, if applicable, before anyone signs as a witness, as an approver or the D.A. for the Secretary.
- f) Once the Contract Instruments are signed and executed, treat as customary with the construction and issuance of the Notice of Contract Execution and Notice to Proceed Letters.

This written contract will serve as the legal agreement between the bidder and DOTD for the work to be performed.

If further guidance is needed, please contact Section 42 Gang 007 Roadway Maintenance Management.

APPENDIX B RECORDATION OF ACCEPTANCE NOTICE

Date _____

Contractor _____

Address _____

City, State Zip _____

Dear Sir:

The Final Acceptance of your project, SPN 4400000000 or SPN H.000000, has been recorded by the Parish of _____ on XX/XX/XXXX . We have attached a copy of the Certificate of Recordation for your project, and you will note that the copy contains the Mortgage Book Number _____ , Page Number _____ , and Register or Folio Number _____ that must appear on the lien certificate.

It is your responsibility to obtain and forward to this Department an original clear lien certificate obtained at least forty-six (46) days after the recorded date shown above, depending on what date the lien period ends. As prescribed by law, the 45-day lien period begins on the first day after recordation of final acceptance of the work and extends through the 45th day thereafter. Should the 45th day fall on a Saturday, Sunday, or legal holiday, then the lien period shall extend through the next business day following the legal holiday or weekend. For example, if the 45th day is on a Sunday and the following Monday is a holiday, then the lien period extends through the following Tuesday, and the clear lien certificate should not be acquired until Wednesday. Legal holidays can vary by parish and by proclamation of the Governor; therefore, check with the project's Clerk of Court office to ensure you get the clear lien certificate after the lien period expires.

All lien certificates should be addressed to _____ office _____.

If you have any questions, please contact _____ (name) at (phone number).

Note: Any lien certificates received that fail to comply with the above requirements cannot be used and will be returned.

Very truly yours,

Name _____

Position _____

Enclosure _____

APPENDIX C CURRENT CONTRACT REQUIREMENTS

CONTRACTUAL DOCUMENTS POST - HOUSE BILL NO. 514; ACT NO. 26 OF THE 2024 REGULAR SESSION

This act addresses pre-bid requirements affecting the letter bids contract cost ceiling and bid bonding amount only. It did not change the post bid requirements for insurance and bonding.

Previously, the bid bond requirement applied only to projects with an estimated cost in excess of \$50,000.00. The new bid bond requirement applies to Letter Bid projects with an estimated cost in excess of \$100,000.00.

Contracts valued from \$0.00 - \$100,000.00 (Fax Bid) – Formally Limited to \$50,000.00

Document Characteristics:

- Contractor licensing required for projects greater than or equal to \$50,000.00 - Pre bid stage
- Bid bond not required when project is equal to or less \$100,000.00 – Pre bid stage.
- The contract contains contractor bid price on the contractor's Letterhead.
- Contract Bonding Requirements:
 - If a contract is less than or equal to \$50,000.00 the contract will contain an optional retainage bond set at 10%.
 - If a contract fall between \$50,000.01 – \$100,000.00, the contract will contain a payment, performance and retainage bond, with the optional retainage bond set at 10%.
- Contract General Insurance Requirements:
 - If a contract value falls between \$ 0.00 - \$100,000.00, a general Insurance certificate verifying that the contractor has obtained General Liability, Automotive and Workers Compensation policies with a minimum ceiling amount of \$500,000.00 will be required.
- For non-road and bridge projects, an Owner Contractor Protective Liability Policy (OCP) is not required; however, the contractor, has to make the Department an additional insured under the General Liability policy.
- If OCP insurance is required, the limits for Each Occurrence and General Aggregate are capped at \$500,000.00/ \$1,000,000 respectively.

Contracts valued from \$100,000.00.01 - \$500,000.00 (Letter Bid)

Document Characteristics:

- Contractor License is required – Pre bid stage.
- Bid bond required when project is in excess of \$100,000.00 – Pre bid stage.
- The contract contains bid prices where the bid was made electronically or by paper.
- Contains a payment, performance and optional retainage bond, with the retainage bond set at 10%.
- Contract requires a general Insurance certificate verifying that the contractor has obtained General Liability, Automotive and Workers compensation policies with a minimum ceiling amount of \$500,000.00.
- An OCP Policy is required. The ceiling amount for Each Occurrence and General Aggregate limits are capped at \$500,000.00/ \$1,000,000 respectively.

Contracts valued from \$500,000.01 - \$1,000,000.00 (New, Letter Bid) – Document created to meet Legislative Requirements.

Document Characteristics:

- Contractor License is required – Pre bid stage.
- Bid bond required when project is in excess of \$100,000.00 – Pre bid stage.
- The contract contains bid prices where the bid was made electronically or by paper.
- Contains a payment, performance and optional retainage bond, with the retainage bond set at 5%.
- Project requires a general Insurance certificate verifying that the contractor has obtained General Liability, Automotive and Workers Compensation policies with minimum limits set within the “LA Standard Specification for Roads and Bridges” version 2016, Section 107.02, Pages 67 - 68.
- An OCP Policy is required with the Each Occurrence and General Aggregate limits set by the “LA Standard Specification for Roads and Bridges” version 2016, Section 107.02, Pages 67 - 68.

Contracts greater than \$1,000,000.00 (HQ Bid)

Document Characteristics:

- Contractor License is required – Pre bid stage unless the project is federally funded. If so, the contractor must be licensed prior to contract execution.
- Bid bond required when project is in excess of \$100,000.00 – Pre bid stage.
- The contract contains bid prices where the bid was made electronically.

- Contains a payment, performance and optional retainage bond, with the retainage bond, set at 5%.
- Project requires a general Insurance certificate verifying that the contractor has obtained General Liability, Automotive and Workers compensation policies with a minimum limits set by the “LA Standard Specification for Roads and Bridges” version 2016, Section 107.02, Pages 67 - 68.
- An OCP Policy is required with the Each Occurrence and General Aggregate limits set by the “LA Standard Specification for Roads and Bridges” version 2016, Section 107.02, Pages 67 - 68.

APPENDIX D DEFINITIONS

Aashtoware Project Preconstruction (Formerly Trans•Port) : Is one of an entire suite of AASHTO software products that is maintained by DOTD to store and archive project related information to provide cost estimate(s) and pre bid-material for proposal construction, while providing resources for bid facilitation and post bid analysis.

A. M. Best: A company which specializes in assessing, analyzing and measuring the financial strength and creditworthiness of insurance companies and investment firms.

Bidding Authority: DOTD official responsible for letting Departmental projects. May also be the Issuing Authority.

Bid Bond: A document submitted by all bidders through a surety agent to guarantee a fee payment to the Department if the winning bidder fails to comply with the proposal requirements.

Bondsman: The entity who issues the bond, normally the surety company agent or its representative.

Budgeting Authority: District Administrator or Section Head.

Business Automotive: An automobile insurance policy to cover the contractor's moving equipment.

Capital Outlay: A budget allocated by DOTD for the construction or renovation of state transportation infrastructure which funds the following: the Highway Priority Program, the Facilities Program, the Airport Priority Program, the Flood Control Program, the Ports Priority Program, and motor vessels and equipment.

Clear Lien Certificate: This is a legal document obtained from the court by the contractor, normally 45 days after the original recording of the Final Acceptance Letter, showing that there are no claims against the contractors or subcontractors hired for the job.

Commercial General Liability: This is a basic insurance policy to protect the contractor against bodily harm or property damage or loss.

Content Manager: The official electronic depository of permanent project files and records.

Contractor: A firm, a company, or an individual that commits to provide the required service to the Department.

Contracting Authority: DOTD official in charge of project development and management.

Executed Contract: A contract document that has been properly signed by the contractor and the Department.

Falcon: A computer software used by DOTD that permits bidding and non-bidding customers the ability to view and download informational only, electronic copies of plans and specifications.

Falcon also provides contractors the ability to pose plan and specification questions to both the project manager and project engineer.

Issuing Authority: DOTD official that issues plans and specifications to the bidding and non-bidding public.

Letter Bids: Bids received at the District or DOTD Sections with a cost of \$1,000,000 or less.

Letting Date: A business day on which the bids are opened and publicly presented.

Partial Acceptance: The determination made by DOTD after final inspection of a portion of the project that the contractor has satisfactorily completed that portion of the project and that such portion may be used advantageously by traffic or for other use.

Performance Bond: A policy written by a surety company for 100 percent of the contract amount to guaranty satisfactory completion of the project by the contractor.

Power of Attorney: This is a legal instrument to delegate authority to another person (agent) to make legal decisions on behalf of the insurance company (principal) who authorizes this document.

Project Systems (P.S.): Computer software used by authorized DOTD personnel to track a project from its inception until completion. This system first creates the project record with the assigning of a W.B.S. Element. It establishes initial project funding, while making cost adjustments throughout the projects lifecycle. This system also tracks required milestones up to project completion. Capital Outlay money funds these projects.

Retainage Bond: A policy written by a surety company guarantying a payment to the Department in an amount (usually 10 percent) of the contract value to cover any default by the contractor. If this bond is not provided, 10 percent of all the payment amounts are withheld until the satisfactory completion of the job is determined by the Department.

Subcontractor: A company, a firm, or an individual hired by the contractor to do a portion of the job.

Supplier Relationship Management (S.R.M): Computer software used by DOTD. It establishes initial project funding and allows for cost adjustments throughout the project lifecycle. Purchase Orders are created for project payment. Maintenance Operating money funds these projects.

Surety Company: An insurance company, or a Section within an insurance company, which specializes in writing policies or bonds guarantying a payment to the Department on behalf of the contractors in case of a default.

Underwriting: This is the level of responsibility or the financial capacity of the insurance company to assume the risk for the contractor for whom the bond is issued.