



*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF STATE PURCHASING

M. J. AMIKE® FOSTER, JR.  
GOVERNOR

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

**MEMORANDUM OSP00-03**

To: All State of Louisiana Brand Name Contractors  
From: Denise Lea, Director  
Date: December 15, 1999  
Re: **Change to Brand Name Contract Procedures**

The Office of State Purchasing is currently revising our criteria for the establishment and continuation of brand name state contracts. Due to budget cuts, our lack of resources and the increasing costs of contract administration, the minimum dollar threshold for maintaining a brand name state contract is increased effective immediately from \$5000 to \$50,000 in annual sales. This course of action was recommended in a performance audit report of Selected State Purchasing Practices and is a more effective and productive business practice.

Brand name state contracts are for convenience only; i.e., state agencies and political subdivisions are *not* required to purchase from them. This office will accept contract purchases from both state agencies and political subdivisions to satisfy the minimum threshold sales volume. The inability or failure to timely produce usage reports evidencing adequate sales volumes will result in cancellation of your brand name contract for a period of two (2) years.

Further, this office reserves the right to set higher sales thresholds and operational requirements for specific commodity areas. For example, the minimum contract sales volume for microcomputers (PCs) was recently increased to \$250,000 for year one and \$500,000 for all subsequent contract periods.

To clarify our current procedure, state agency requests to establish a brand name contract *must* be signed and approved by an agency representative *authorized to obligate funds* for the agency and must certify their agency's full intent to purchase from the contract once established. We will continue to research and implement additional changes to our brand name contract procedures and will seek input from the vendor community as we move forward with new initiatives aimed at improving the process and creating contracts which agencies fully intend to use.

If you have any questions, please contact my office or any State Purchasing Officer for assistance.

c: Edgar Jordan, Assistant Commissioner  
State Purchasing Staff

