

July 8, 1999

Honorable Michael S. Baer, III
Secretary of the Senate
State Capitol
Baton Rouge, LA 70804

RE: SENATE BILL NO. 706 BY SENATOR BEAN

To amend and reenact R.S. 38:2219(A)(1)(a) and 2248, relative to public contracts; to provide for issuance of bonds for public works projects; to authorize contractors on public works projects to elect to furnish a retainage bond in lieu of the contracting agency ~~withholding~~ payment on the contract; to place restrictions on the values used in punch lists on public works projects; to provide an effective date; and to provide for related matters.

Dear Mr. Baer:

The vast majority of those who perform under contracts for construction of public works projects more than adequately satisfy their obligations. As to those contractors, Senate Bill No. 706 would pose little or no difficulty for public agencies and would benefit the economy and the contractors by freeing-up assets for other business needs. However, as to the very few for whom a substantial retainage provides a needed incentive for proper completion of contract, I have been strongly advised that the relief provided by the bill will seriously impair the public agency's ability to ensure timely and adequate completion of jobs. I have asked the commissioner and his staff to work with the author to more appropriately address concerns with the present system in time for the next legislative session during which the subject matter may be considered.

For this reason, I am vetoing and sending Senate Bill No. 706 back to you.

Sincerely,

M.J. "Mike" Foster, Jr.

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