

2025 Regular Session

SENATE BILL NO. 166

BY SENATOR WOMACK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CONTRACTS. Provides relative to contract requirements for public works. (7/1/25)

1 AN ACT

2 To enact R.S. 38:2225.6, relative to public contracts; to provide for expending state funds
3 through contracts with local governmental entities and third party entities; to require
4 the division of administration to issue guidance relative to contract requirements for
5 payments; to provide relative to contract procedures; to authorize the creation of
6 software for tracking certain contracts; to provide for training requirements; to
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 38:2225.6 is hereby enacted to read as follows:

10 **§2225.6. Public private contract protocol requirements**

11 **A. The division of administration shall issue guidance for any local**
12 **governmental entity that receives state funds and enters into a contract with a**
13 **third-party entity for the performance of public works for which state funds**
14 **have been appropriated.**

15 **B. All contracts between local governmental entities and third-party**
16 **entities shall require a preconstruction meeting between the local governmental**
17 **entity, the contractor, the appropriate state agency, and the design professional**

1 of record for the purpose of establishing clear expectations of the contract
2 deliverables, project deadlines, accountability standards, payment schedules,
3 and an expedited grievance procedure for complaints. The preconstruction
4 meeting shall accomplish the following:

5 (1) Establish a designated person who shall be the point of contact for the
6 local governmental entity during the project.

7 (2) Establish a procedure for the payment by electronic fund transfer or
8 an agreed upon method of payment to contractors.

9 (3) Establish a procedure whereby the local governmental entity accepts
10 documents which are digitally signed.

11 C.(1) The division of administration and the Department of
12 Transportation and Development shall develop and maintain software for
13 utilization by local governmental entities and contractors that receive state
14 funding.

15 (2) All local governmental entities that receive state funding shall utilize
16 the software to measure the time between the close of the pay period and the
17 time the payment estimate is approved for payment and submitted to the owner.
18 The software shall be utilized to process all payment estimates and all parties
19 to the contract shall have the ability to receive requests and track the progress
20 of each payment.

21 (3) The division of administration and the Department of Transportation
22 and Development shall make the software available for use on or before
23 January 1, 2026.

24 D.(1) All elected officials of municipalities and municipal employees, as
25 provided in Paragraph (2) of this Subsection, shall complete a minimum of one
26 hour of annual training on procurement and the letting of public contracts
27 pursuant to R.S. 38:2211 et seq., provided by the legislative auditor. The
28 legislative auditor may contract with a nonprofit entity or other organization
29 to satisfy the training requirement.

30 (2) The training requirement applies to all municipal employees whose

1 job duties involve procurement activities, including but not limited to the
 2 purchase of materials and supplies or public works, or drafting, managing, or
 3 supervision of contracts, including but not limited to procurement contracts,
 4 cooperative endeavor agreements, contracts for professional services, and the
 5 letting of public contracts pursuant to R.S. 38:2211 et seq.

6 (3) Such training may be provided through web-based means and shall
 7 include but not be limited to training on Public Bid Law, public contracts,
 8 change orders, and the letting of public contracts pursuant to R.S. 38:2211 et
 9 seq.

10 (4) The legislative auditor shall maintain records to document and certify
 11 completion of the training by elected officials of municipalities and municipal
 12 employees.

13 E. The implementation of this Section shall be subject to the
 14 appropriation of funds by the legislature for this purpose.

15 Section 2. This Act shall become effective on July 1, 2025.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 166 Reengrossed

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Proposed law creates public private protocol requirements whereby the division of administration shall issue guidance for any local governmental entity that receives state funds and enters into a contract with a third-party entity for performance of public works for which state funds have been appropriated.

Proposed law requires all contracts between local governmental entities and third-party entities to require a preconstruction meeting between the local governmental entity, the contractor, the appropriate state agency, and the design professional of record for the purpose of establishing clear expectations of the contract deliverables, project deadlines, accountability standards, payment schedules, and an expedited grievance procedure for complaints. The preconstruction meeting shall accomplish the following:

- (1) Establish a designated person who shall be the point of contact for the local governmental entity during the project.
- (2) Establish a procedure for the payment by electronic fund transfer or an agreed upon method of payment to contractors.
- (3) Establish a procedure whereby the local governmental entity accepts documents

which are digitally signed.

Proposed law requires the division of administration and DOTD to develop and maintain software for utilization by local governmental entities and contractors that receive state funding.

Proposed law requires all local governmental entities that receive state funding to utilize the software to measure the time between the close of the pay period and the time the payment estimate is approved for payment and submitted to the owner. The software shall be utilized to process all payment estimates and all parties to the contract shall have the ability to receive requests and track the progress of each payment.

Proposed law provides that the division of administration and DOTD shall make the software available for use on or before Jan. 1, 2026.

Proposed law requires all elected officials of municipalities and certain municipal employees to complete a minimum of one hour of annual training on procurement and the letting of public contracts provided by the legislative auditor. Authorizes the legislative auditor to contract with a nonprofit entity or other organization to satisfy the training requirement.

Proposed law provides that the training requirement applies to all municipal employees whose job duties involve procurement activities, including but not limited to the purchase of materials and supplies or public works, or drafting, managing, or supervision of contracts, including but not limited to procurement contracts, cooperative endeavor agreements, contracts for professional services, and the letting of public contracts.

Proposed law provides that the training may be web-based and requires that the training include but not be limited to training on Public Bid Law, public contracts, change orders, and the letting of public contracts.

Proposed law requires the legislative auditor to maintain records to document and certify completion of the training by elected officials of municipalities and municipal employees.

Implementation of proposed law is subject to the appropriation of funds by the legislature.

Effective July 1, 2025.

(Adds R.S. 38:2225.6)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Remove provisions requiring certain elected officials and certain employees of a municipality to participate in training related to public contracts.
2. Require all elected officials of municipalities and municipal employees to complete a minimum of one hour of annual training on procurement and the letting of public contracts provided by the legislative auditor.
3. Add applicability provisions for elected officials of municipalities and municipal employees and training requirements.
4. Require the legislative auditor to maintain records to document and certify completion of the training by elected officials of municipalities and municipal employees.

5. Provide that implementation of proposed law is subject to the appropriation of funds by the legislature.
6. Change the term "state entity" to "state agency".