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DIGEST

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DIGEST

SB 166 Re-Reengrossed

2025 Regular Session

Womack

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, and the design professional of record, with notice to the appropriate state entity, for the purpose of establishing clear expectations of the contract deliverables, project deadlines, accountability standards, payment schedules, and an expedited grievance procedure for complaints. Requires that the preconstruction meeting 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. Requires the software 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 July 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 beginning on July 1, 2026. 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.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(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".

Senate Floor Amendments to reengrossed bill

1. Change the date that the division of administration and DOTD are required to make software available for use from on or before January 1, 2026 to on or before July 1, 2026.
2. Add an implementation date for the annual training requirement of July 1, 2026.
3. Remove provision that implementation of proposed law is subject to the appropriation of funds by the legislature.
4. Change the effective date from July 1, 2025 to effective upon signature of the governor.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the re-reengrossed bill:

1. Remove the appropriate state agency as a required participant in the preconstruction meeting.
2. Require participation by the local governmental entity, the contractor, and the design professional of record, with notice to the appropriate state entity.