ACT No. 436

SENATE BILL NO. 166

BY SENATOR WOMACK

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

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, and the design professional of record, with notice to the**

18   **appropriate state entity, for the purpose of establishing clear expectations of the**

19   **contract deliverables, project deadlines, accountability standards, payment**

20   **schedules, and an expedited grievance procedure for complaints. The**

21   **preconstruction meeting shall accomplish the following:**

22   **(1) Establish a designated person who shall be the point of contact for the**

23   **local governmental entity during the project.**

24   **(2) Establish a procedure for the payment by electronic fund transfer or**

25   **an agreed upon method of payment to contractors.**

26   **(3) Establish a procedure whereby the local governmental entity accepts**

27   **documents which are digitally signed.**

1   **C.(1) The division of administration and the Department of**

2   **Transportation and Development shall develop and maintain software for**

3   **utilization by local governmental entities and contractors that receive state**

4   **funding.**

5   **(2) All local governmental entities that receive state funding shall utilize**

6   **the software to measure the time between the close of the pay period and the**

7   **time the payment estimate is approved for payment and submitted to the owner.**

8   **The software shall be utilized to process all payment estimates and all parties**

9   **to the contract shall have the ability to receive requests and track the progress**

10   **of each payment.**

11   **(3) The division of administration and the Department of Transportation**

12   **and Development shall make the software available for use on or before July 1,**

13   **2026.**

14   **D.(1) Beginning on July 1, 2026, all elected officials of municipalities and**

15   **municipal employees, as provided in Paragraph (2) of this Subsection, shall**

16   **complete a minimum of one hour of annual training on procurement and the**

17   **letting of public contracts pursuant to R.S. 38:2211 et seq., provided by the**

18   **legislative auditor. The legislative auditor may contract with a nonprofit entity**

19   **or other organization to satisfy the training requirement.**

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

21   **job duties involve procurement activities, including but not limited to the**

22   **purchase of materials and supplies or public works, or drafting, managing, or**

23   **supervision of contracts, including but not limited to procurement contracts,**

24   **cooperative endeavor agreements, contracts for professional services, and the**

25   **letting of public contracts pursuant to R.S. 38:2211 et seq.**

26   **(3) Such training may be provided through web-based means and shall**

27   **include but not be limited to training on Public Bid Law, public contracts,**

28   **change orders, and the letting of public contracts pursuant to R.S. 38:2211 et**

29   **seq.**

30   **(4) The legislative auditor shall maintain records to document and certify**

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.

1   **completion of the training by elected officials of municipalities and municipal**

2   **employees.**

3   Section 2. This Act shall become effective upon signature by the governor or, if not

4   signed by the governor, upon expiration of the time for bills to become law without signature

5   by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

6   vetoed by the governor and subsequently approved by the legislature, this Act shall become

7   effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____