

2019 Regular Session

SENATE BILL NO. 200

BY SENATOR CORTEZ

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

PUBLIC CONTRACTS. Provides for use of A + B bid method in contracts for public works let by local governmental subdivisions and political subdivisions under certain conditions. (8/1/19)

1 AN ACT

2 To enact R.S. 38:2211.2, relative to public contracts; to provide for a pilot program to
3 authorize local governmental subdivisions and political subdivisions to use the A+B
4 bid method to determine the lowest responsive bidder in contracts for public works
5 under certain conditions; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 38:2211.2 is hereby enacted to read as follows:

8 **§2211.2. A+B bidding; pilot program; public works contracts let by local**
9 **governmental subdivision or political subdivision**

10 **A.(1) A pilot program is hereby established to authorize local**
11 **governmental subdivisions or political subdivisions to use the A+B bidding**
12 **method to determine the lowest responsive bidder on a contract for public**
13 **works.**

14 **(2) At least sixty days prior to inclusion of A+B bidding in the bidding**
15 **documents for a contract to be let for public works, a local governmental**
16 **subdivision or a political subdivision shall deliver written notification of the**
17 **proposed project by name and description of the project, together with the**

1 reason it deems such method to be in the public interest and beneficial to the
2 owner, to the House and Senate transportation, highways, and public works
3 committees for review and approval. The pilot program is limited to fifteen
4 projects. If the project is approved by the committees, the owner shall submit
5 in writing to the chairmen of the House and Senate committees on
6 transportation, highways, and public works the name and address of the lowest
7 responsive bidder awarded the contract, together with the bid values of the A+B
8 components. Upon completion and acceptance of the project, the owner shall
9 submit in writing to the chairmen of the House and Senate committees on
10 transportation, highways, and public works a project report that includes the
11 final project cost and an evaluation of whether or not contract times were
12 reduced, costs were acceptable, and quality was maintained by use of the A+B
13 bid method.

14 B. When used in this Section, the following words and phrases have the
15 meanings ascribed to them in this Section, unless the context indicates a
16 different meaning:

17 (1) "A+B bidding" means cost plus time bidding that factors time plus
18 cost to determine the low bid. Under the A+B method, each submitted bid has
19 two components where "A" is the traditional bid for the contract items and is
20 the dollar amount for all work to be performed under the contract, and "B" is
21 a "bid" of the total number of calendar days required to complete the project,
22 as estimated by the bidder. Bid days are multiplied by a user cost, furnished by
23 the project owner, and added to the "A" component to obtain the total bid. The
24 bid for award to the lowest responsive bidder is based on a combination of the
25 bid for the contract items and the associated cost of time.

26 (2) "Owner" means a "local governmental subdivision" or a "political
27 subdivision" as defined in La. Const. Art. VI, Sec. 44(1) and (2).

28 C. Notwithstanding any other provision of law to the contrary, a local
29 governmental subdivision or a political subdivision may specify in its bidding

- 1 **documents for a public work the A+B bidding method to determine the lowest**
2 **responsive bidder as set forth in this Section. Bidding documents may contain**
3 **alternates, which allow for different materials currently approved by the local**
4 **governmental subdivision or political subdivision, or methods of construction.**
5 **The bidding documents shall specify whether the low bid will be determined**
6 **based on the lowest bid cost, or the lowest combination of bid cost plus**
7 **construction time. If construction time is utilized as a factor to determine the**
8 **lowest responsive bidder, then its value and use in the determination of the**
9 **lowest responsive bidder shall be specified by the owner in the bidding**
10 **documents.**
- 11 **D. The provisions of this Section shall supersede any conflicting**
12 **provisions of any law, including but not limited to the requirements of Chapter**
13 **10 of this Title, but the provisions of such Chapter shall otherwise be applicable**
14 **to such contracts.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Sharon F. Lyles.

DIGEST

SB 200 Reengrossed

2019 Regular Session

Cortez

Proposed law creates a pilot program to authorize local governmental subdivisions and political subdivisions to use A+B bidding method to determine the lowest responsive bidder on a contract for public works. The pilot is limited to 15 projects subject to prior approval of the House and Senate committees on transportation, highways, and public works. If the committees approve a project, the owner is required to submit in writing to the chairmen of committees, the name and address of the lowest responsive bidder awarded the contract, together with the bid values of the A+B components. Further, upon completion and acceptance of the project, the owner is required to submit in writing to the chairmen of the committees a project report that includes the final project cost and an evaluation of whether or not contract times were reduced, costs were acceptable, and quality was maintained by use of the A+B bid method.

Proposed law defines "A+B bidding" and "owner" as follows:

- (1) "A+B bidding" means cost plus time bidding that factors time plus cost to determine the low bid. Under the A+B method, each submitted bid has two components where "A" is the traditional bid for the contract items and is the dollar amount for all work to be performed under the contract, and "B" is a "bid" of the total number of calendar days required to complete the project, as estimated by the bidder. Bid days are multiplied by a user cost, furnished by the project owner, and added to the "A" component to obtain the total bid. The bid for award to the lowest responsive bidder is based on a combination of the bid for the contract items and the associated cost of time.

- (2) "Owner" means a "local governmental subdivision" or a "political subdivision" as defined in La. Const. Art. VI, Sec. 44(1) and (2).

Proposed law provides that bidding documents may contain alternates, which allow for different materials or methods of construction, provided that any such alternate materials are currently approved by the local governmental subdivision or political subdivision.

Proposed law supersedes any conflicting provisions of any law, including but not limited to the requirements of the Public Bid Law, but the provisions of the Public Bid Law are otherwise applicable to such contracts.

Effective August 1, 2019.

(Adds R.S. 38:2211.2)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Specifies that any alternate materials contained in the bidding documents are currently approved by the local governmental subdivision or political subdivision.