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The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Archana Cadge.

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## CONFERENCE COMMITTEE REPORT DIGEST

SB 83

2023 Regular Session

Womack

### **Keyword and summary of the bill as proposed by the Conference Committee**

PUBLIC CONTRACTS. Provides for certain change orders when certain unit prices are contained in the initial contract. (8/1/23)

#### **Report adopts House amendments to:**

1. Change the time frame the contractor shall submit the cost estimate to the designer of record or the public entity for change order from 45 days to 30 days.
2. Make technical changes.

#### **Report rejects House amendments which would have:**

1. Excluded Jefferson Parish from proposed law.

### **Digest of the bill as proposed by the Conference Committee**

Present law provides when a change order is negotiated, the public entity shall require that the change order be fully documented and itemized as to costs, including material quantities, material costs, taxes, insurance, employee benefits, other related costs, profit, and overhead. Proposed law retains present law and adds equipment use and labor to fully documented itemized costs.

Present law provides where certain unit prices are contained in the initial contract, no deviations shall be allowed in computing the negotiated change order. Proposed law provides exceptions to present law allowing unit price change orders submitted to the designer or public entity within 30 days from the date of discovery of the work to be performed by the change order, or change orders requiring new pricing be submitted within 30 days from the date of discovery of the work to be performed by the change order.

Proposed law further provides for any change orders requiring redesign, provided the redesign shall not take more than 90 days from notification by the contractor to the designer of record or in the absence of the designer, the public entity, of the discovery of work to be performed by the change order. Proposed law further provides extensions of time may be granted if necessary for redesign. Once the redesign is complete, the contractor shall submit the cost estimate to the designer or the public entity, for the change order within 45 days for

the redesigned work under the change order.

Proposed law provides for any change order, the public entity shall have 30 days from the submittal of the change order to negotiate, approve, or reject the contractor's proposed cost estimate of the work. Proposed law further provides extensions of time may be granted by mutual agreement or shall be granted as necessary for the public entity to obtain governmental approval.

Proposed law provides the contractor shall not be required to provide any schedule updates incorporating a change order until that change order is executed, unless the schedule is needed for evaluation of the proposed change order.

Proposed law provides the exceptions established in proposed law shall not be waived by contract.

Effective August 1, 2023.

(Amends R.S. 38:2212(M)(5))