



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 151** SLS 25RS 79
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2025	8:53 PM	Author: MIZELL
Dept./Agy.: State Procurement		
Subject: Makes changes to the Louisiana Procurement Code		Analyst: Julie Silva

PROCUREMENT CODE OR SEE FISC NOTE GF EX Page 1 of 2
 Provides relative to the Louisiana Procurement Code.(gov sig)

Proposed legislation modifies the Louisiana Procurement Code, making adjustments to advertisement requirements, tying the advertising for contracts exceeding the threshold for small purchases to the threshold included in the Governor's Small Purchase Executive Order, permitting cooperative purchasing for personal, professional, consulting, and social services contracts, increasing the threshold requiring a competitive sealed bid process for consulting and lease agreement contracts, and updating the process for contract controversies and protests and the authority of the 19th Judicial District Court in such situations.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed legislation makes several changes to the state procurement process that are primarily expected to increase efficiencies. However, expenditures may decrease due to increased negotiating power, higher thresholds requiring a competitive bid process, and expanding the number of contracts eligible for cooperative purchasing agreements. Expenditures may impact all means of financing, but are reflected as SGF in the table above.

Changes include the raising of the statutory threshold mandating a competitive bid process for consulting services contracts from \$50,000 to \$100,000 (except for contracts entered into by the Department of Transportation and Development, which is increased to \$150,000). The threshold for lease contracts requiring a competitive bid process is increased from 5,000 square feet to 10,000 square feet. These changes are expected to decrease the number of contracts required to go through a competitive bidding process, making the selection and awarding of contracts more efficient.

The addition of personal, professional, consulting, and social services contracts to those eligible for cooperative purchasing agreements will allow for these services to be administered through a single contract for multiple agencies, as negotiated by one agency. This provision is also anticipated to increase efficiencies and may lower expenditures for agencies statewide.

Advertising requirements are amended to tie them to the threshold set by the Governor's Small Purchase Executive Order, removing the requirement that advertisements for public bids be issued at a \$25,000 fixed value, which constrained the threshold for small purchases determined by the governor. *Note: The threshold, per Executive Order 24-114, is \$25,000.*

The elimination of the requirement that requests for proposals (RFP) be published in the official journal of the state or other newspapers is also expected to result in minimal savings to the Office of State Procurement, which reports an average annual expenditure of \$675 for this purpose.

Other changes impact those contracts that require the Request for Proposal (RFP) process. This includes requiring state agencies to advertise RFPs through a centralized interactive environment administered by DOA as well as on the electronic website accepting electronic bids. This website (LaPAC) is currently operational, and no additional costs are anticipated.

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REVENUE EXPLANATION

SGR may increase for agencies whose awarding of a contract is protested due to the requirement that protestors post a bond or another security approved by OSP, valued at 25% of the estimated contract value. If the protest is rejected and the original contract award is upheld, the agency may file a claim against the bond or security for expenses incurred and other monetary losses suffered as a result of the protest. Any increase in revenues realized due to this provision will be dependent on the number of protests to awards that are filed and upheld and the total cost of the contract in such circumstances.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

Following the completion of the RFP and evaluation processes to determine a qualified bidder, proposed legislation directs the awarding agency to enter negotiations to determine what will be included in the final contract prior to awarding of a contract. This may decrease the costs of certain contracts, as agencies will be authorized to negotiate the price of services with selected bidders, though it limits such negotiation to one bidder at a time, based upon the findings of the RFP process.

Other changes allow the 19th Judicial District Court (JDC) to make decisions issued by the commissioner of administration concerning contract protests executory limiting the 19th JDC to appellate jurisdiction over claims arising from an RFP, award of a contract, or any controversies involving the state, or other matters in connection with a filed petition for review. These proposed changes may reduce the workload for the 19th JDC as it will constrain the court's authority to make a ruling concerning the appeal of the commissioner's decision, as opposed to adjudicating the entire contract award process.

Proposed legislation further requires that the commissioner of administration's initial decision concerning the outcome of a protested award is given significant weight and that it is not to be reversed or modified without clear evidence the decision made was arbitrary or capricious. The above detailed provisions may also result in savings by limiting the arbitration process for contract award protests and strengthening the authority of decisions made by the commissioner of administration in regard to such protests.

Senate Dual Referral Rules


13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

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