HLS 15RS-534 ORIGINAL

2015 Regular Session

HOUSE BILL NO. 314

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BY REPRESENTATIVE PIERRE

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

PUBLIC CONTRACTS: Relative to the compensation of a contractor for services performed pursuant to a contractual agreement with an agency

AN ACT

2	To enact R.S. 38:2225.1(B)(3), relative to public contracts with political subdivisions; to
3	provide for inclusion of a clause authorizing compensation for the variation in size
4	of a project; to provide for an adjustment in the contract price; to provide a
5	contracted rate of compensation for contractor services in excess of the specified
6	contract or FEMA Project Worksheet limit; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 38:2225.1(B)(3) is hereby enacted to read as follows:
9	§2225.1. Contracts in which the state or political subdivision are participants;
10	preferences; assistance; exclusions
11	* * *
12	В.
13	* * *
14	(3)(a) Any contract entered into by a political subdivision shall include a
15	clause authorizing compensation for a variation in the size of the project of not more
16	than fifteen percent above or below the scope of work or estimated size of the project
17	specified within the contract or the FEMA Project Worksheet.
18	(b) An equitable adjustment in the contract price shall be made upon demand
19	of either party. The equitable adjustment shall be based upon any increase or

Page 1 of 2

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

decrease in costs due solely to the variation above or below fifteen percent of the
estimated, contracted size of the project.

(c) Notwithstanding any provision to the contrary, any political subdivision
that enters into a contract for services or public works that specifies a contract or
FEMA Project Worksheet limit which exceeds the eligibility requirements for
reimbursement in federal law shall be required to compensate the contractor at the
contracted rate, if the political subdivision ordered or directed performance.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 314 Original

2015 Regular Session

Pierre

Abstract: Provides a contracted rate of compensation for excess contractor services performed pursuant to public contracts entered into by political subdivisions.

<u>Proposed law</u> requires any contract entered into by a political subdivision contemplate the variation in the actual size of the project of not more than 15% above or below the estimated size of the project specified within the contract or FEMA Project Worksheet.

<u>Proposed law</u> allows either party to a contract to demand an equitable adjustment in a contract price. Specifies that the equitable adjustment is based upon any increase or decrease in costs due solely to the variation above or below 15% of the estimated, contracted size of the project.

<u>Proposed law</u> requires that contractors performing services pursuant to a contract with a political subdivision or with a FEMA Project Worksheet for services be compensated at the equitable contracted rate, if the political subdivision ordered or directed items beyond the contract or FEMA Project Worksheet even if the work exceeds federal eligibility determinations or requirements.

(Adds R.S. 38:2225.1(B)(3))