

2017 Regular Session

HOUSE BILL NO. 335

BY REPRESENTATIVE RICHARD

PUBLIC CONTRACTS: Establishes a fee on all bids for competitively bid state contracts and dedicates the monies to the legislative auditor to review and audit contracts

1 AN ACT

2 To enact R.S. 38:2212(B)(8), Subpart G of Part II of Chapter 17 of Subtitle III of Title 39  
3 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:1591, R.S.  
4 39:1594(D)(4), and R.S. 48:205(D), relative to public contracts; to require all bids  
5 on competitively bid state contracts to include a contract review fee; to provide for  
6 the amount of the fee; to create the Contract Review Fund as a special treasury fund;  
7 to provide for deposits into the fund; to provide for the use of monies in the fund;  
8 and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 38:2212(B)(8) is hereby enacted to read as follows:

11 §2212. Advertisement and letting to lowest responsible and responsive bidder;  
12 public work; electronic bidding; participation in mentor-protégé program;  
13 exemptions

14 \* \* \*

15 B.

16 \* \* \*

17 (8) Bids for state contracts shall include the contract review fee required by  
18 R.S. 39:1591.

19 \* \* \*

1 Section 2. Subpart G of Part II of Chapter 17 of Subtitle III of Title 39 of the  
2 Louisiana Revised Statutes of 1950, comprised of R.S. 39:1591, and R.S. 39:1594(D)(4) are  
3 hereby enacted to read as follows:

4 SUBPART G. EVALUATION AND AUDITING OF CONTRACTS

5 §1591. Contract Review Fee; Contract Review Fund

6 A. Every bid submitted for a competitively bid state contract, including but  
7 not limited to contracts awarded by competitive sealed bidding under this Chapter,  
8 contracts awarded by a state agency under the Public Bid Law, and contracts  
9 awarded by the Department of Transportation and Development shall include a  
10 contract review fee of one hundred dollars. The avails of the fees shall be credited  
11 to the Bond Security and Redemption Fund and after a sufficient amount is allocated  
12 from that fund to pay all the obligations secured by the full faith and credit of the  
13 state which become due and payable within any fiscal year, the treasurer shall pay  
14 the remainder of the avails into a special fund which is hereby created in the state  
15 treasury and designated as the "Contract Review Fund".

16 B. The monies in the Contract Review Fund shall be subject to an annual  
17 appropriation by the legislature. All unexpended and unencumbered monies  
18 remaining in the fund at the end of the fiscal year shall remain in the fund. The  
19 monies in the fund shall be invested by the treasurer in the same manner as the  
20 monies in the state general fund, and all interest earned shall be deposited into the  
21 state general fund.

22 C. Monies appropriated from the Contract Review Fund shall be available  
23 for use by the legislative auditor to review and audit state contracts.

24 \* \* \*

25 §1594. Competitive sealed bids

26 \* \* \*

27 D. Bid submission.

28 \* \* \*

1           (4) Bids for state contracts shall include the contract review fee required by  
2           R.S. 39:1591.

3   \*           \*           \*

4           Section 3. R.S. 48:205(D) is hereby enacted to read as follows:

5           §205. Bids

6   \*           \*           \*

7           D. If the secretary requires that a formal contract be entered into between the  
8           successful bidder and the department, the secretary shall require that all of the bids  
9           submitted for the contract include the contract review fee required by R.S. 39:1591.

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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)]

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HB 335 Original

2017 Regular Session

Richard

**Abstract:** Requires all bids for competitively bid state contracts include a \$100 fee to be used by the legislative auditor to review and audit state contracts.

Proposed law requires all bids for competitively bid state contracts to include a \$100 contract review fee. Specifies that proposed law applies to competitively bid state contracts under the Louisiana Procurement Code and the Public Bid Law, and to state contracts awarded by the Dept. of Transportation and Development.

Proposed law creates the Contract Review Fund as a special treasury fund. Dedicates all contract fees collected, less any allocations needed for the Bond Security and Redemption Fund, into the fund. Provides that the fund may be used by the legislative auditor, subject to appropriation, to review and audit state contracts.

(Adds R.S. 38:2212(B)(8), R.S. 39:1591 and 1594(D)(4), and R.S. 48:205(D))