
DIGEST

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HB 573 Reengrossed

2018 Regular Session

Zeringue

Abstract: Allows political subdivisions to perform integrated coastal projects through outcome-based contracting.

Proposed law authorizes political subdivisions to use an outcome-based performance contract alternative project delivery method to contract for financing, designing, constructing, and monitoring integrated coastal protection projects.

Proposed law prohibits the use of outcome-based performance contracts for projects that cost more than \$25 million or with terms exceeding 10 years.

Proposed law generally defines "outcome-based performance contract" to be a contract with specific outcomes or goals and for payment upon completion of those agreed-upon outcomes or goals.

Proposed law defines "outcome-based performance contractor" as any person or entity properly licensed, bonded, and insured who is responsible to the owner for the integrated coastal protection project to be delivered.

Proposed law defines "owner" to be the political subdivision.

Proposed law defines "licensed design professional" as a licensed engineer, architect, or landscape architect.

Proposed law defines "resident business" as one authorized to do and doing business under the laws of this state that either maintains its principal place of business in the state or that employs a minimum of two employees who are residents of La.

Proposed law also defines "coastal area", "integrated coastal protection", and "comprehensive master coastal protection plan".

Proposed law prohibits the political subdivision from accepting unsolicited proposals for outcome-based performance contracts. Specifies that nothing in the law prohibits a company from making suggestions for new projects or alterations to solicited proposals. Specifies that the award of any contract may be made only after the issuance of a request for proposal and competitive bid.

Proposed law allows the political subdivision to formulate rules and guidelines necessary to implement proposed law.

Proposed law provides for financing terms and conditions of outcome-based performance contracts to be determined by the political subdivision and the outcome-based performance contractor.

Proposed law allows the political subdivision to acquire land and easements in order to serve the purpose of proposed law.

Proposed law requires outcome-based performance contractors employ duly licensed professionals. Further provides that the rules and regulations of the La. Professional Engineering and Land Surveying Board and the State Licensing Board for Contractors apply to proposed law.

Proposed law authorizes the political subdivision to provide a request for statement of interest and qualification (RSIQ). Delineates the requirements of what must be included in the RSIQ including a statement of the ability and intention of a contractor to provide equal opportunities in recruitment, selection, appointment, promotion, training, and other employment areas associated with an outcome-based performance contract.

Proposed law authorizes the political subdivision to establish a qualification review committee which must evaluate the responses to the RSIQ. Proposed law additionally requires the qualification review committee to create a list of the highest rated proposers and present the list to the political subdivision.

Proposed law requires the political subdivision to issue a request for proposal (RFP) to those making the list of highest rated proposers. Proposed law delineates what must be included in the RFP.

Proposed law authorizes the political subdivision to establish a proposal review committee consisting of representatives of the owner, a design professional with appropriate expertise, and a licensed contractor with appropriate expertise.

Proposed law requires the proposal review committee to make recommendations to the political subdivision within 90 days of the deadline for responses to the RFP.

Proposed law requires the political subdivision and the selected outcome-based performance contractor to execute a contract within 60 days of the award of the outcome-based performance contract. Specifies that if no contract is executed within those 60 days, the political subdivision may readvertise the project.

Proposed law requires the political subdivision to cancel any solicitation and decline to award a contract if a determination is made that the cancellation or declination is in the best interests of the political subdivision.

Proposed law prohibits a challenge by legal process to any selection of an outcome-based performance contractor except for fraud, bias, or arbitrary and capricious selection by the authority.

Proposed law specifies that proposed law supersedes any conflicting provisions of present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 38:2320.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the original bill:

1. Lower the estimated maximum threshold to prohibit outcome-based performance contracts for any integrated coastal protection projects from \$250 million to \$25 million.
2. Decrease the contract term threshold to prohibit outcome-based performance contracts for any integrated coastal protection projects from a contract term of 25 years to a contract term of 10 years.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.