



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 111** SLS 21RS 302
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 21, 2021	1:43 PM	Author: WOMACK
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Public Contracts (bids, claims, and payments)		

PUBLIC WORKS EG SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides for bids, claims, and payments involving public contracts. (8/1/21)

Present law provides that all public entities shall promptly pay all obligations arising under public contracts when the obligations become due and payable under the contract. Proposed law adds "including approved plan changes." Proposed law adds to present law, "Any timely change by a bidder to the bid form prior to submission of the bid shall be scratched through and initialed by the person who submits the bid. The change as initialed shall be binding." Proposed law adds to present law, "For the purpose of bids submitted electronically, the last timely bid submission by each and any bidder shall be binding." Proposed law adds to present law "If an interested party or bidder files for injunction or mandamus, a public entity shall act not later than forty-five days after the date of a judgment by a Louisiana district court determining the lowest responsible and responsive bidder to award the public works contract in accordance with the judgment. Any judgment issued by a Louisiana district court mandating the award of a public works contract is not subject to suspensive appeal." Proposed law adds to present law, "Change orders shall be executed and approved by the public entity no later than thirty days following the date of the proposed change order. The date of the proposed change order is the day the public entity, design professional of record, and the contractor agree to the extra work to be performed under the change order." Proposed law provides specific changes to acceptance of governing authority. Proposed law provides that the public entity's failure to comply with the provisions of this Section shall be subject to a writ of mandamus.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may create an indeterminable expenditure impact on state and local governmental entities. The Office of Facility Planning and Control (FP&C) reports that the wording for the change orders in the proposed law may create procedural issues and may result in delayed claims from contractors which cannot be quantified.

NOTE: FP&C seeks clarity as to when the 30 day timeframe to process a change order would actually start, upon notification, upon signed agreement, etc. FP&C seeks clarity regarding those change orders that require JLCB approval in the event JLCB does not meet within the 30 day window.

Also, FP&C reports that partial occupancy is a standard in the construction industry and many contracts permit partial occupancy that may occur as a result of phased projects, renovations, disaster related projects and multi-building projects, wherein occupants may move from a space for a period of time and return while the contractor moves to another space within the same facility. FP&C reports this may result in costs to the agencies from the inability to use the space as prohibited in R.S. 38:2241.1(C) of this measure. The potential impact of this prohibition cannot be quantified and would vary based on individual circumstances, operational needs and other factors.

The LFO assumes local governing authorities may experience similar impacts to those described by FP&C with regard to the completion of local projects.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

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