

2025 Regular Session

SENATE BILL NO. 166

BY SENATOR WOMACK

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

CONTRACTS. Provides relative to contract requirements for public works. (7/1/25)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

AN ACT

To enact R.S. 38:2225.6, relative to public contracts; to provide for expending state funds through contracts with local governmental entities and third party entities; to require the division of administration to issue guidance relative to contract requirements for payments; to provide relative to contract procedures; to authorize the creation of software for tracking certain contracts; to provide for training requirements; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 38:2225.6 is hereby enacted to read as follows:

§2225.6. Public private contract protocol requirements

A. The division of administration shall issue guidance for any local governmental entity that receives state funds and enters into a contract with a third party entity for the performance of public works for which state funds have been appropriated.

B. All contracts between local governmental entities and third party entities shall require a preconstruction meeting between the local governmental entity, the contractor, the appropriate state entity, and the design professional

1 of record for the purpose of establishing clear expectations of the contract
2 deliverables, project deadlines, accountability standards, payment schedules,
3 and an expedited grievance procedure for complaints. The preconstruction
4 meeting shall accomplish the following:

5 (1) Establish a designated person who shall be the point of contact for the
6 local governmental entity during the project.

7 (2) Establish a procedure for the payment by electronic fund transfer or
8 an agreed upon method of payment to contractors.

9 (3) Establish a procedure whereby the local governmental entity accepts
10 documents which are digitally signed.

11 C.(1) The division of administration and the Department of
12 Transportation and Development shall develop and maintain software for
13 utilization by local governmental entities and contractors that receive state
14 funding.

15 (2) All local governmental entities that receive state funding shall utilize
16 the software to measure the time between the close of the pay period and the
17 time the payment estimate is approved for payment and submitted to the owner.
18 The software shall be utilized to process all payment estimates and all parties
19 to the contract shall have the ability to receive requests and track the progress
20 of each payment.

21 (3) The division of administration and the Department of Transportation
22 and Development shall make the software available for use on or before
23 January 1, 2026.

24 D. Training. Elected officials and employees of a municipality whose job
25 duties include the managing, tracking, or compliance of a cooperative endeavor
26 agreement, shall be required to participate in training related to public
27 contracts and payments, payment timing, interest, costs to private entities
28 incurred outside of the scope of the project, change orders to the project, and
29 the timing of change orders. The training may be provided by a state agency or
30 an association or groups and may be web-based.

1 Section 2. This Act shall become effective on July 1, 2025.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 166 Engrossed

2025 Regular Session

Womack

Proposed law creates public private protocol requirements whereby the division of administration shall issue guidance for any local governmental entity that receives state funds and enters into a contract with a third-party entity for performance of public works for which state funds have been appropriated.

Proposed law requires all contracts between local governmental entities and third party entities to require a preconstruction meeting between the local governmental entity, the contractor, the appropriate state entity, and the design professional of record for the purpose of establishing clear expectations of the contract deliverables, project deadlines, accountability standards, payment schedules, and an expedited grievance procedure for complaints. The preconstruction meeting shall accomplish the following:

- (1) Establish a designated person who shall be the point of contact for the local governmental entity during the project.
- (2) Establish a procedure for the payment by electronic fund transfer or an agreed upon method of payment to contractors.
- (3) Establish a procedure whereby the local governmental entity accepts documents which are digitally signed.

Proposed law requires the division of administration and DOTD to develop and maintain software for utilization by local governmental entities and contractors that receive state funding.

Proposed law requires all local governmental entities that receive state funding to utilize the software to measure the time between the close of the pay period and the time the payment estimate is approved for payment and submitted to the owner. The software shall be utilized to process all payment estimates and all parties to the contract shall have the ability to receive requests and track the progress of each payment.

Proposed law provides that the division of administration and DOTD shall make the software available for use on or before Jan. 1, 2026.

Proposed law provides that elected officials and employees of a municipality whose job duties include the managing, tracking, or compliance of a cooperative endeavor agreement, shall be required to participate in training related to public contracts and payments, payment timing, interest, costs to private entities incurred outside of the scope of the project, change orders to the project, and the timing of change orders. The training may be provided by a state agency or an association or groups and may be web-based.

Effective July 1, 2025.

(Adds R.S. 38:2225.6)