



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 216** SLS 25RS 414

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 2, 2025	11:35 AM	Author: HODGES
Dept./Agy.: Department of Transportation and Development		
Subject: A +B Bidding and Incentives		Analyst: Kimberly Fruge

TRANSPORTATION/DEV DEPT

OR SEE FISC NOTE SD EX

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Requires the Department of Transportation and Development to use certain bidding process to discourage delays and incentivize the early completion of road construction projects. (gov sig)

Proposed law requires the Department of Transportation and Development to employ an A+B bidding method for road and highway construction projects or other best project delivery method practice; provides that contracts executed on or after July 1, 2025, for road construction, incorporate necessary provisions to discourage the contractor from exceeding the project completion date and preclude excessive change orders; provides that all contracts contain an incentive provision for projects completed prior to the projected completion date.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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 will have an indeterminable impact on expenditures out of the Transportation Trust Fund. Proposed law requires the Department of Transportation and Development (DOTD) to adopt an A+B (cost + time) bidding method, discourage delays and change orders, and provide incentives for early completion. DOTD reports it currently uses the A+B bidding methods, when applicable, for road and highway projects.

Proposed law may increase expenditures to provide an incentive for early completion of construction projects but does not provide for the amount of the incentive. Any such increase is indeterminable as it is not known how many contracts will be completed early or what incentive amount may be provided.

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer