

2024 Regular Session

HOUSE BILL NO. 877

BY REPRESENTATIVE MCFARLAND AND SENATOR WOMACK

PUBLIC CONTRACTS: Relative to public contracts with economically disadvantaged businesses

1 AN ACT

2 To amend and reenact R.S. 38:2233.2(A), (B)(1), and (E)(3) and to enact R.S. 48:234(E),
3 relative to political subdivisions and public contracts; to provide for increased project
4 costs for economically disadvantaged businesses; to define the term "political
5 subdivisions"; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 38:2233.2(A), (B)(1), and (E)(3) are hereby amended and reenacted
8 to read as follows:

9 §2233.2. Political subdivisions; authority for procurement from minority businesses;
10 set-aside; preference to disadvantaged; preference to women

11 A. Every political subdivision in the state, as defined in this Section, through
12 its respective fiscal officer or director of finance, is hereby authorized and
13 empowered for each fiscal year to designate and set aside for awarding to minority
14 businesses, as defined in this Section, an amount up to ten percent of the value of
15 anticipated local procurement of goods and services including construction.
16 Notwithstanding any provision of law to the contrary, However, should the
17 governing authority of a said political subdivision may choose to set aside a greater
18 amount than ten percent provided that amount is supported by data made available
19 by the state pursuant to R.S. 48:234(E), then nothing herein shall be construed to
20 prohibit such set-aside levels above ten percent.

1 B.(1) ~~Such parishes and municipalities~~ Political subdivisions may for each
2 fiscal year designate and set aside for awarding to minority businesses an amount up
3 to ten percent of the value of anticipated total procurement of goods and services
4 including construction by said entity. The procurements so designated shall be
5 divided into contract award units of economically feasible production runs in order
6 to facilitate offers or bids from minority businesses. In making the annual
7 designation of set-aside procurements, an attempt shall be made to vary the included
8 procurements so that a variety of goods and services produced by different minority
9 businesses may be set aside each year. The failure to set aside particular
10 procurements shall not be considered to prohibit or discourage minority businesses
11 from seeking the procurement award through the normal solicitation and bidding
12 processes.

* * *

14 E.

* * *

16 (3) "Political subdivision" means any parish, municipality, or any other unit
17 of local government, including a school board and a special district, authorized to
18 perform governmental functions, including a political subdivision situated wholly
19 or partially within the geographic boundaries of Calcasieu Parish or St. John the
20 Baptist Parish; or the Chennault International Airport Authority; the New Orleans
21 Exhibition Hall Authority; the Board of Commissioners of the Port of New Orleans;
22 the city of Shreveport and any board, agency, or commission of that city; the parish
23 of St. John the Baptist, and any board, agency, or commission thereof; the city of
24 Monroe and any board, agency, or commission of that city; and any board, agency,
25 or commission of or for the city of New Orleans or parish of Orleans which has been
26 created by the constitution or laws of this state, which is not under the authority or
27 control of the state of Louisiana for the purposes of letting and awarding contracts,
28 and which is subject to Chapter 10 of Title 38 or Chapter 17 of Title 39, both of the

1 Louisiana Revised Statutes of 1950, or any other state law relative to competitive
2 bidding.

3 * * *

4 Section 2. R.S. 48:234(E) is hereby enacted to read as follows:

5 §234. Highway construction; authority for set-aside procurement from socially or
6 economically disadvantaged or women owned businesses

7 * * *

8 E. Notwithstanding any provision of law the contrary, the secretary shall
9 study and publish a directory of disadvantaged business enterprises annually, the
10 contents of which shall serve as the exclusive basis under which the secretary and
11 any political subdivision of the state may elect to establish set aside percentages in
12 excess of ten percent.

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)]

HB 877 Original

2024 Regular Session

McFarland

Abstract: Authorizes political subdivisions to increase project cost for disadvantaged businesses.

Present law authorizes every political subdivision in the state, as defined in present law through its respective fiscal officer or director of finance, is authorized and empowered for each fiscal year to designate and set aside for awarding to minority businesses, an amount up to 10% of the value of anticipated local procurement of goods and services including construction. Specifies that the governing authority of the political subdivision may choose to set aside a greater amount, and nothing will be construed to prohibit such set-aside levels above 10%.

Proposed law clarifies that a political subdivision may set aside an amount greater than 10% if that amount is supported by data available pursuant to proposed law (R.S. 48:234(E)).

Present law specifies that such parishes and municipalities may for each fiscal year designate and set aside for awarding to minority businesses an amount up to 10% of the value of anticipated total procurement of goods and services including construction by the said entity.

Present law requires the procurements designated be divided into contract award units of economically feasible production runs in order to facilitate offers or bids from minority businesses. Specifies that in making the annual designation of set-aside procurements, an attempt will be made to vary the included procurements so that a variety of goods and services produced by different minority businesses may be set aside each year. Additionally, specifies that the failure to set aside particular procurements cannot be considered to prohibit

or discourage minority businesses from seeking the procurement award through the normal solicitation and bidding processes.

Proposed law modifies present law by changing "such parishes and municipalities" to political subdivisions and retains present law.

Present law defines "political subdivision" as any political subdivision situated wholly or partially within the geographic boundaries of Calcasieu Parish or St. John the Baptist Parish; or the Chennault International Airport Authority; the New Orleans Exhibition Hall Authority; the Board of Commissioners of the Port of New Orleans; the city of Shreveport and any board, agency, or commission of that city; the parish of St. John the Baptist, and any board, agency, or commission thereof; the city of Monroe and any board, agency, or commission of that city; and any board, agency, or commission of or for the city of New Orleans or parish of Orleans which has been created by the constitution or laws of this state, which is not under the authority or control of the state of La. for the purposes of letting and awarding contracts, and which is subject present law, or any other state law relative to competitive bidding.

Proposed law modifies the definition of "political subdivision" to mean a parish, municipality, and any other unit of local government, including a school board and a special district, authorized by law to perform governmental functions.

Proposed law requires the secretary to study and publish a directory of disadvantaged business enterprises annually, the contents of which is to serve as the exclusive basis under which the secretary and any political subdivision of the state may elect to establish set aside percentages in excess of 10%.

(Amends R.S. 38:2233.2(A), (B)(1), and (E)(3); Adds R.S. 48:234(E))