

Regular Session, 2013

SENATE BILL NO. 172

BY SENATOR DONAHUE

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

TRANSPORTATION/DEV DEPT. Requires Department of Transportation and Development to award contracts and issue a "notice to proceed" within sixty days of receipt of bids. (8/1/13)

AN ACT

To amend and reenact R.S. 48:255(B)(1) and (F)(1) and (2) and to repeal R.S. 48:255(B)(2) and (F)(3) and (4), relative to contracts of the Department of Transportation and Development; to require the department to award contracts and issue a work order within sixty calendar days of receipt of bids; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 48:255(B)(1) and (F)(1) and (2) are hereby amended and reenacted to read as follows:

§255. Award of contract; time limitations and exceptions; bond of successful bidder; rejection of certain bidders

A. * * *

B.(1) For all construction, maintenance, or improvement projects for department facilities or other public facility projects, advertised and let by the department, the department or the contracting agency may reject any and all bids for just cause but otherwise shall act, with the concurrence of all funding sources, to award the contract to the lowest responsible bidder within ~~forty-five~~ thirty calendar days after receipt of bids ~~or twenty calendar days after receipt by the department of~~

1 ~~concurrence in award from all project funding agencies, whichever occurs last,~~
 2 ~~unless the department and the successful bidder mutually agree to extend the~~
 3 ~~deadline. However, in cases where concurrence in award is required, the department~~
 4 ~~shall award the contract no later than sixty calendar days after receipt of bids unless~~
 5 ~~the department and the successful bidder mutually agree to extend the deadline.~~

6 * * *

7 F.(1) The contractor shall return the signed contracts along with good and
 8 solvent bond to the department or the contracting agency within ~~fifteen~~ **ten** calendar
 9 days following the transmittal of contracts for execution. After return of the surety
 10 bond and signed contracts from the contractor, the department or the contracting
 11 agency shall execute the contract documents within ~~twenty~~ **ten** calendar days.

12 (2) The department or contracting agency shall issue a work order to the
 13 successful contractor within sixty calendar days following ~~execution of the contract~~
 14 **receipt of bids**. ~~However, upon mutual written consent by all parties, the notice to~~
 15 ~~proceed may be extended beyond the sixty days. Should the contractor not wish to~~
 16 ~~extend the period from contract execution to work order beyond sixty days, the~~
 17 ~~contractor may demand contract cancellation.~~

18 * * *

19 Section 2. R.S. 48:255(B)(2) and (F)(3) and (4) are hereby repealed.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Sharon F. Lyles.

DIGEST

Present law provides that DOTD or the contracting agency may reject any and all bids for just cause for all construction, maintenance, or improvement projects for DOTD facilities or other public facility projects advertised and let by DOTD but otherwise requires contract award to the lowest responsible bidder within 45 calendar days after receipt of bids or 20 days after receipt by DOTD of concurrence in award from all project funding agencies, whichever occurs last, unless DOTD and the successful bidder mutually agree to extend deadline.

Present law requires DOTD to award contract no later than 60 calendar days after receipt of bids when concurrence in award is required unless DOTD and the successful bidder mutually agree to extend the deadline.

Proposed law reduces the time period to award a contract to 30 calendar days.

Proposed law repeals authority for DOTD to award the contract to the next low bidder or readvertise when a successful low bidder declines to extend the time period to award a contract.

Present law requires a contractor to return signed contracts together with good and solvent bond to DOTD or the contracting agency within 15 calendar days of transmittal of the contract for execution. Proposed law reduces this time period to 10 calendar days.

Present law requires DOTD or the contracting agency to execute a returned contract within 20 calendar days. Proposed law reduces this time period to 10 calendar days.

Present law requires a work order to be issued to the successful contractor within 60 calendar days following contract execution except when this time period is extended by mutual written consent of all parties and allows a contractor who declines the extension to demand contract cancellation.

Proposed law requires issuance of a work order within 60 calendar days of receipt of bids. Further removes authority of parties to mutually extend the time for issuance of the work order beyond 60 days and removes authority of the contractor to demand cancellation if he does not wish to extend the period for issuance of the work order beyond 60 days.

Proposed law removes authority for DOTD, when the contract is canceled at the request of the contractor, to award the contract to the next high bidder or, if the next higher bidder agrees, to readvertise and relet the contract. Removes requirement for compensation to the contractor for the cost of procuring the bonds required for the contract when the contract is canceled at the request of the contractor.

Present law provides that if DOTD does not cancel the contract, when the contractor demands its cancellation, then the contractor is entitled to an escalation of his bid prices for the period between the lapse of the 60 day period and the actual work order to the extent that the contractor proves the escalation during that period. Provides that in no event will the escalation exceed the rate of inflation reflected by the U. S. Bureau of Labor Statistics Wholesale Price Index for the relevant period. Proposed law repeals these provisions.

Effective August 1, 2013.

(Amends R.S. 48:255(B)(1) and (F)(1) and (2); repeals R.S. 48:255(B)(2) and (F)(3) and (4))