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The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by Archana Cadge.

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SB 474 Engrossed

DIGEST  
2022 Regular Session

Womack

Present law provides that the public entity shall pay the contractor for work performed by change order not later than 60 days after the date the public entity approves the application for payment for completion of the work performed in the change order.

Proposed law changes the time for the public entity to pay the contractor after approval of the application for payment from 60 days to 45 days.

Present law provides that any change order pertaining to public work, not required by present law to be publicly bid, shall either be negotiated in the best interest of the public entity or let out for public bid. Where the change order is negotiated, the public entity shall require that the change order be fully documented and itemized as to costs, material quantities, material costs, taxes, insurance, employee benefits, other related costs, profit, and overhead. Where certain unit prices are contained in the initial contract, no deviations shall be allowed in computing negotiated change order costs.

Proposed law retains present law and provides that the change order shall be executed within 45 days of the discovery of the work covered by the change order unless a redesign of the work is necessary.

Proposed law provides the contractor shall submit a proposal for the estimated cost of the change order once the redesign is completed. Proposed law further provides if a redesign is not required then the contractor shall submit, a proposal for the estimated cost of the change order within ten days of the discovery.

Proposed law provides for 15 days in which to negotiate the cost of a change order. Further provides the public entity and contractor may agree to more than 15 days to negotiate, approve, or reject the contractor's proposed costs of work.

Effective August 1, 2022.

(Amends R.S. 38:2212(M)(3) and (5))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the original bill

1. Changes the time for the public entity to pay the contractor after approval of the application for payment from 60 days to 45 days.

2. Changes the time of when change orders shall be executed to forty-five days from the discovery of the work to be covered by the change order, unless a redesign of the work is required.
3. Adds timelines to discovery of work relating to change orders and redesigns.