

Regular Session, 2010

HOUSE BILL NO. 426

BY REPRESENTATIVE GREENE

CONTRACTS/BIDS: Prohibits certain persons or business entities from bidding on or maintaining a contract with the state

1 AN ACT

2 To enact R.S. 38:2212.8 and R.S. 39:1496.3 and 1594.4, relative to procurement; to prohibit
3 persons or business entities with unpaid final judgments from participating in the
4 contract and public bid process; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 38:2212.8 is hereby enacted to read as follows:

8 §2212.8. Right to prohibit contracts and bids from a person or business entity who
9 has not paid a final judgment

10 A. A public entity shall not accept a bid from or otherwise contract with a
11 person or business entity who has failed to fully satisfy a valid final judgment.

12 (1) A public entity shall require that any submission of a bid shall include
13 verification that the person or business entity submitting the bid has not failed to
14 fully satisfy any valid final judgment rendered against the person or business entity.

15 (2) A public entity shall require that each contract or cooperative endeavor
16 agreement, or any other agreement for the procurement of goods or services, shall
17 contain a clause attesting that the person or business entity entering into the contract
18 or cooperative endeavor agreement has not failed to fully satisfy any valid final
19 judgment rendered against the person or business entity.

1 (3) If a public entity finds that they have entered into a contract with a person
2 or business entity who withheld information or was not truthful pursuant to the
3 requirements of this Section, the public entity shall not make further payments
4 pursuant to the terms of the contract until verification of satisfaction of a final
5 judgment rendered against the person or business entity is provided to the public
6 entity.

7 (4) Any verification required as a result of this Section shall be in a form and
8 manner prescribed by the public entity accepting a bid or entering into any contract
9 or cooperative endeavor agreement or any other agreement for the procurement of
10 goods or services.

11 Section 2. R.S. 39:1496.3 and 1594.4 are hereby enacted to read as follows:

12 §1496.3. Right to prohibit contracts and bids from a person or business entity who
13 has not paid a final judgment

14 A. A public entity shall not accept a bid from or otherwise contract with a
15 person or business entity who has failed to fully satisfy a valid final judgment.

16 (1) A public entity shall require that any submission of a bid shall include
17 verification that the person or business entity submitting the bid has not failed to
18 fully satisfy any valid final judgment rendered against the person or business entity.

19 (2) A public entity shall require that each contract or cooperative endeavor
20 agreement, or any other agreement for the procurement of goods or services, shall
21 contain a clause attesting that the person or business entity entering into the contract
22 or cooperative endeavor agreement has not failed to fully satisfy any valid final
23 judgment rendered against the person or business entity.

24 (3) If a public entity finds that they have entered into a contract with a person
25 or business entity who withheld information or was not truthful pursuant to the
26 requirements of this Section, the public entity shall not make further payments
27 pursuant to the terms of the contract until verification of satisfaction of a final
28 judgment rendered against the person or business entity is provided to the public
29 entity.

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

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)]

Greene

HB No. 426

Abstract: Prohibits persons or business entities who have unpaid final judgments from submitting bids to, or contracting with, the state.

Proposed law requires that any submission of a bid to a public entity include verification that the person or business entity submitting the bid has not failed to fully satisfy any valid final judgment rendered against them.

Proposed law requires that each contract or cooperative endeavor agreement with a public entity contain a clause attesting that the person or business entity entering into the contract or cooperative endeavor agreement has not failed to fully satisfy any valid final judgment rendered against them.

Proposed law provides that if a public entity finds that a person or business entity, into which the public entity has entered into a contract, withheld information or was not truthful pursuant to the requirements of proposed law, the public entity shall not make further payments on the contract until the person or business entity provides verification of satisfaction of a final judgment to the public entity.

Proposed law provides that any verification required as a result of proposed law shall be in a form and manner prescribed by the public entity.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 38:2212.8 and R.S. 39:1496.3 and 1594.4)