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**HOUSE BILL NO. 2052**

House Amendments in [ ] — January 31, 2001

*A BILL to amend and reenact § 11-56.2 of the Code of Virginia, relating to the Virginia Public Procurement Act; damages for unreasonable delays.*

Patron Prior to Engrossment—Delegate Albo

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That § 11-56.2 of the Code of Virginia is amended and reenacted as follows:**

§ 11-56.2. Public construction contract provisions barring damages for unreasonable delays declared void.

A. Any provision contained in any public construction contract entered into on or after July 1, 1991, that purports to waive, release, or extinguish the rights of a contractor to recover costs or damages for unreasonable delay in performing such contract, either on his behalf or on behalf of his subcontractor if and to the extent such delay is caused by acts or omissions of the public body, its agents or employees and due to causes within their control is against public policy and is void and unenforceable.

B. Subsection A shall not be construed to render void any provision of a public construction contract that:

1. Allows a public body to recover that portion of delay costs caused by the acts or omissions of the contractor, or its subcontractors, agents or employees;

2. Requires notice of any delay by the party claiming the delay;

3. Provides for liquidated damages for delay; or

4. Provides for arbitration or any other procedure designed to settle contract disputes.

C. A contractor making a claim against a public body for costs or damages due to the alleged delaying of the contractor in the performance of its work under any public construction contract shall be liable to the public body and shall pay it for a percentage of all costs incurred by the public body in investigating, analyzing, negotiating, litigating and arbitrating the claim, which percentage shall be equal to the percentage of the contractor's total delay claim which is determined through litigation or arbitration to be false or to have no basis in law or in fact.

*D. A public body denying a contractor's claim for costs or damages due to the alleged [ ~~delay~~ delaying ] of the contractor in the performance of work under any public construction contract shall be liable to and shall pay such contractor a percentage of all costs incurred by the contractor to investigate, analyze, negotiate, litigate and arbitrate the claim. The percentage paid by the public body shall be equal to the percentage of the contractor's total delay claim for which the public body's denial is determined through litigation or arbitration to [ ~~be false or to have no basis in law or fact.~~ have been made in bad faith. ]*

ENGROSSED

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