

**Department of Planning and Budget
2001 Fiscal Impact Statement**

1. Bill Number HB2047

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron Rollison

3. Committee **Passed Senate**

4. Title Asset management by VDOT.

5. Summary/Purpose:

Provides a definition of "asset management" and requires VDOT to implement outcome-based asset management practices in operating, maintaining, and upgrading state highways. Additionally requires procurement via competitive sealed bidding. Such contracts shall be of such size and scope to encourage maximum competition and participation by agency pre-qualified and otherwise qualified contractors.

6. Fiscal impact unavailable. See item # 8.

7. Budget amendment necessary: No

8. Fiscal implications: Codifies the definition of the term "maintenance" and "asset management"; which requires implementation of a program of asset management. The term "asset management" means a systematic process of operating, maintaining, and upgrading the state system of highways by combining engineering practices and analyses with sound business practices and economic theory to achieve cost-effective outcomes. By applying these principles, expenditures for individual projects should be reduced.

9. Specific agency or political subdivisions affected: Department of Transportation

10. Technical amendment necessary: No

11. Other comments: None

Date: 2/15/01 RDS

Document: RDS G:\01bills\HB2047s1.DOC

