

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB148

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hargrove

3. Committee Commerce and Labor

4. Title Public-Private Education Facilities and Infrastructure Act of 2002.

5. Summary/Purpose:

Amends the Public-Private Education Facilities and Infrastructure Act of 2002 by requiring the comprehensive agreement to include provisions for performance and payment bonds as provided in the Virginia Public Procurement Act and a bid bond in the amount of five percent of the total cost of the project. In addition, the bill requires local governing bodies proceeding under the Act to have the comprehensive agreement approved by the Design/Build Construction Management Review Board and analyzed by the Auditor of Public Accounts prior to final approval. The bill also requires the local governing body to hold a public hearing regarding the nature, costs, and other facts relating to the project.

6. Fiscal impact cannot be determined (see Item 8)

7. Budget amendment necessary: No

8. Fiscal implications: This proposal amends the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) by requiring that the contractor post performance and payment bonds and a bid bond in the amount of five percent of the total cost of the project. The requirement for the performance and payment bonds codifies the existing practice. The bid bond may not be needed as the PPEA is a negotiated procurement.

The proposal also places these same requirements on the localities as well as requiring approval by the Design/Build Construction Management Review Board, a cost analysis by the Auditor of Public Accounts, and public hearings on the project. These requirements will increase costs for the localities and the workload for the Auditor of Public Accounts by an indeterminate amount.

9. Specific agency or political subdivisions affected: Department of General Services, Auditor of Public Accounts, local governmental agencies

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/16/04 / amk

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cc: Secretary of Administration