

**Department of Planning and Budget  
2004 Fiscal Impact Statement**

**1. Bill Number** SB525

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Hanger

**3. Committee** General Laws

**4. Title** Design-Build Construction Management Contracts

**5. Summary/Purpose:**

Raises the limit on design-build construction management contracts from \$500,000 to \$1 million. The bill also removes the requirement for other than Commonwealth public bodies that all design build contracts be reviewed and approved by the Design-Build/Construction Management Review Board.

**6.** No Fiscal Impact (see Item 8).

**7. Budget amendment necessary:** No

**8. Fiscal implications:** This proposal raises the authority for public bodies to use competitive negotiations as a contracting method for contracts that alter, repair, renovate, or demolish buildings from \$500,000 to \$1,000,000. This will lessen the use of competitive sealed bids as a contracting method. The proposal also deletes the requirement for review and approval of design-build or construction management contracts by the Design-Build/Construction Management Review Board. This second requirement pertains to public bodies other than the Commonwealth.

**9. Specific agency or political subdivisions affected:** All state and local entities with capital programs

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 01/23/04 / amk

**Document:** G\ 04 FISs\SB525.DOC

cc: Secretary of Administration