

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB6027

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Hogan

3. Committee: Transportation

4. Title: Powers of CTB; fixed-price contracts.

5. Summary: The proposed legislation would allow the Commonwealth Transportation Board (CTB) to enter into fixed-price contracts for the provision of materials, equipment, and supplies in connection with highway construction projects. The Commonwealth Transportation Board may award contracts for the provision of equipment, materials, and supplies to be used in construction of transportation projects on a fixed-price basis. Any such contract may provide that the price to be paid for the provision of equipment, materials, and supplies to be furnished in connection with the projects shall not be increased but shall remain fixed until completion of the projects specified in the contracts. Material components of any such contract for annual and multi-year programs, including but not limited to maintenance, may be fixed at the outset of the projects and until completion based on best achievable prices.

6. Fiscal Impact Estimates: Unavailable. See Item 8.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The proposed legislation would grant the CTB the authority to enter into fixed price contracts for materials, equipment and supplies used in highway construction projects. It is not known how many such contracts would be available, and the potential cost savings resulting from such contracts. It is likely that such contracts would require the payment of significant premiums, which would impact any potential cost savings.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 7/8/2008 dpb/smc

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cc: Secretary of Transportation