

Department of Planning and Budget

2011 Fiscal Impact Statement

1. Bill Number: HB 2039

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Cox, John A.

3. Committee: General Laws

4. Title: Procurement by public bodies; use of certain contracting processes.

5. Summary: This bill limits the use of the construction management at-risk method for building construction to projects with a total value of \$25 million or more.

The bill also amends the definition of "qualifying project" in the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.) to require that the project be totally supported by private funds.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates:

7a. Expenditure Impact: Cannot be determined, see question 8.

8. Fiscal Implications: The amendment in the bill that would require all construction projects under \$25 million to use the standard design-bid-build procurement process or the alternate process of design-build, would remove the flexibility for the Commonwealth to determine if a project would benefit from the CM alternate procurement process. It is unknown how this would impact the cost of affected projects, if at all.

9. Specific Agency or Political Subdivisions Affected: State agencies and local public bodies that perform construction or receive PPEA proposals.

10. Technical Amendment Necessary: No

11. Other Comments: Localities would be able to provide additional information on the fiscal impact of this bill on their operations.

Date: 1/17/11

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c: Secretaries of Administration and Education