

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB945

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

2. Patron: Villanueva

3. Committee: General Laws

4. Title: Virginia Public Procurement Act; performance and payment bonds on transportation-related projects.

5. Summary: The proposed legislation would raise from \$250,000 to \$350,000 the contract amount for which performance and payment bonds are required on transportation-related projects partially or wholly funded by the Commonwealth. The bill also states that the performance and payment bond requirements for projects that are valued in excess of \$250,000 but less than \$350,000 may only be waived if the bid is accompanied by evidence that a surety company has declined an application from the contractor for a bid bond.

The bill contains an enactment clause that the Department of Transportation (VDOT) and the Department of Treasury are to develop a prequalification program for participation by prospective bidders who have been denied a bid bond. Another enactment clause requires VDOT to report on the number of companies unable to procure bid bonds, the number of waivers granted and the number of companies enrolled in the Department of Treasury's program.

6. Budget Amendment Necessary: None.

7. No Fiscal Impact. Preliminary.

8. Fiscal Implications: The proposed legislation would change the project cost threshold for when payment and performance bonds are required. The bill would not have a fiscal impact on the Commonwealth.

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

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 2/20/2012 dpb/smc

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