

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB1596-ER

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

2. Patron: Webert

3. Committee: Passed Both Houses

4. Title: Virginia Public Procurement Act; public works contracts; prevailing wage provisions.

5. Summary: Prohibits state agencies from requiring bidders, offerors, contractors, or subcontractors to pay, or require the payment of, wages, salaries, benefits, or other remuneration to persons employed to perform services in connection with a public works project at a rate that is based on the wages and benefits prevailing for the corresponding classes of laborers and mechanics employed. A corresponding prohibition is made applicable to state agencies providing grants or other financial assistance for public works projects, unless otherwise required under federal law. The measure further states that it is the policy of the Commonwealth not to implement, adopt, enforce, or require any program, policy, or provision that requires a public works contract that requires the payment of wages or other remuneration at a rate based on the prevailing wage, whether modeled on the federal Davis-Bacon Act or similar state law.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No fiscal impact. See Item 8, below.

8. Fiscal Implications: No state fiscal impact is expected. This bill prohibits state agencies from requiring bidders, offerors, contractors, or subcontractors to compensate employees based on the prevailing compensation rates of corresponding classes of labors and mechanics. It is not common practice for public works contracts to contain such a requirement and the Department of General Services reports it is not aware of any instances of agencies including such provisions in a contract. Therefore, this bill is not expected to affect existing contract provisions or procedures.

9. Specific Agency or Political Subdivisions Affected: State agencies required to follow the Virginia Public Procurement Act.

10. Technical Amendment Necessary: No.

11. Other Comments: None.