Department of Planning and Budget
2018 Fiscal Impact Statement

1. **Bill Number:** HB134

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

2. **Patron:** Bell, John J.

3. **Committee:** Passed Both Houses.

4. **Title:** Value engineering.

5. **Summary:** Raises the minimum project cost requiring the use of value engineering from $5 million to $15 million. The bill exempts projects that are designed utilizing (i) a design-build contract or (ii) the Public-Private Transportation Act of 1995 from the value engineering requirements.

6. **Budget Amendment Necessary**: No.

7. **Fiscal Impact Estimates: Final.** See Item 8.

8. **Fiscal Implications:** According to the Virginia Department of Transportation (VDOT), this legislation will result in cost savings. On average, each Value Engineering workshop costs approximately $20,000 for the time and travel related expenses of those involved in the review. Based on historical experience, VDOT estimates that increasing the Value Engineering threshold from $5 million to $15 million and exempting Design-Build/PPTA projects will reduce the number of required Value Engineering workshops by 10-15 studies each year. This will result in an estimated cost savings of $200,000 - $300,000 annually.

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

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** This bill is identical to SB125.