

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB473

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

2. Patron: Reid

3. Committee: General Laws

4. Title: Virginia Public Procurement Act; use of best value contracting.

5. Summary: Authorizes the use of best value contracting by all public bodies. The bill sets forth the requirements for any procurement process that uses best value concepts.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Fiscal impact is indeterminate. See Item 8.

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. The bill would allow public bodies to use best value contracting for construction and professional services and provides requirements for the selection of awards for goods, services, or construction based on best value. It is indeterminate how the bill may affect contract costs or the administrative workloads of public bodies for procurement.

The bill would allow public bodies to use best value selection with the competitive sealed bidding process. Currently, awards are made to the lowest responsive and responsible bidder under the competitive sealed bidding process. Instead, the bill would allow awards to be made using best value selection, which could result in awards to higher priced bids. This also conflicts with the existing requirements of the competitive sealed bidding process in the Virginia Public Procurement Act (VPPA).

The bill would also permit the use of best value contracting for the procurement of professional services. Currently, professional services must be procured using the competitive negotiation process and the submission of price is not allowed in response to requests for proposals. Instead, the bill would allow the use of best value contracting, which would require the submission and consideration of price in the selection of awards. This conflicts with the existing requirements of the competitive negotiation process for professional services in the VPPA.

9. Specific Agency or Political Subdivisions Affected: All public bodies subject to the Virginia Public Procurement Act (VPPA), with the exception of higher education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement and local governments that have exempted themselves from the VPPA as authorized by §2.2-4343(10).

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/8/2018