

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB557

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: Krizek

3. Committee: General Laws

4. Title: Virginia Public Procurement Act; public works contract requirements; apprenticeship utilization.

5. Summary: Creates minimum requirements for the use of apprentices in public works projects paid for in whole or in part by state funds. The bill provides that the failure of a contractor to comply with the apprentice utilization requirement shall be (i) deemed a breach of contract entitling the contracting agency to all remedies allowed by law and under the contract and (ii) considered as evidence bearing upon a contractor's qualification for the award of future contracts.

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 establish requirements in public works contracts estimated to cost over a specified threshold for the percent of labor hours to be performed by apprentices. Apprentice utilization requirements may be adjusted for specific projects under certain circumstances specified by the bill. Any impact of the requirements of the bill on contract prices or procurement administration workload is indeterminate.

The bill requires vendors to report at least monthly the labor hours of employees for compliance. A vendor must enter into an apprentice agreement with the Virginia Department of Labor and Industry and each of their employees must be covered by a written agreement with the employer and approved by the Commissioner in order to meet the definition of apprentice. The bill is not expected to have a fiscal impact on the Department of Labor and Industry.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry, the Department of General Services, and all state agencies except those that have received an exemption from the Virginia Public Procurement Act, such as through the Higher Education Restructuring Act or the Appropriation Act

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/8/2018