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## SENATE BILL NO. 1688

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws  
on February 14, 2019)

(Patron Prior to Substitute—Senator Ruff)

A BILL to amend and reenact § 23.1-1017 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-4376.2, relating to the Virginia Public Procurement Act; public institutions of higher education; disclosure required by certain offerors.

Be it enacted by the General Assembly of Virginia:

1. That § 23.1-1017 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 2.2-4376.2 as follows:

§ 2.2-4376.2. *Disclosure of contributions and gifts during procurement process.*

A. As used in this section, "public institution of higher education" means the same as that term is defined in § 23.1-100.

B. Every offeror submitting a proposal to a public institution of higher education for any construction project that (i) has a total cost of \$5 million or more and (ii) uses a procurement method other than competitive sealed bidding shall include with the submission a disclosure of any contributions in excess of \$5,000 that the offeror or any affiliated entity, or any of their respective officers, directors, managers, or members, has made within the previous five-year period to the public institution of higher education or any private foundation that exists solely to support the public institution of higher education.

C. Any person that knowingly fails to submit the disclosure required by this section shall be guilty of a Class 1 misdemeanor under § 2.2-4377.

§ 23.1-1017. **Covered institutions; operational authority; procurement.**

A. Subject to the express provisions of the management agreement, each covered institution may be exempt from the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.), except for §§ 2.2-4342 and 2.2-4376.2, which shall not be construed to require compliance with the prequalification application procedures of subsection B of § 2.2-4317, provided, however, that (i) any deviations from the Virginia Public Procurement Act in the management agreement shall be uniform across all covered institutions and (ii) the governing board of the covered institution shall adopt, and the covered institution shall comply with, policies for the procurement of goods and services, including professional services, that shall (a) be based upon competitive principles, (b) in each instance seek competition to the maximum practical degree, (c) implement a system of competitive negotiation for professional services pursuant to §§ 2.2-4303.1 and 2.2-4302.2, (d) prohibit discrimination in the solicitation and award of contracts based on the bidder's or offeror's race, religion, color, sex, national origin, age, or disability or on any other basis prohibited by state or federal law, (e) incorporate the prompt payment principles of §§ 2.2-4350 and 2.2-4354, (f) consider the impact on correctional enterprises under § 53.1-47, and (g) provide that whenever solicitations are made seeking competitive procurement of goods or services, it shall be a priority of the institution to provide for fair and reasonable consideration of small, women-owned, and minority-owned businesses and to promote and encourage a diversity of suppliers.

B. Such policies may (i) provide for consideration of the dollar amount of the intended procurement, the term of the anticipated contract, and the likely extent of competition; (ii) implement a prequalification procedure for contractors or products; and (iii) include provisions for cooperative arrangements with other covered institutions, other public or private educational institutions, or other public or private organizations or entities, including public-private partnerships, public bodies, charitable organizations, health care provider alliances or purchasing organizations or entities, state agencies or institutions of the Commonwealth or the other states, the District of Columbia, the territories, or the United States, and any combination of such organizations and entities.

C. Nothing in this section shall preclude a covered institution from requesting and utilizing the assistance of the Virginia Information Technologies Agency for information technology procurements and covered institutions are encouraged to utilize such assistance.

D. Each covered institution shall post on the Department of General Services' central electronic procurement website all Invitations to Bid, Requests for Proposal, sole source award notices, and emergency award notices to ensure visibility and access to the Commonwealth's procurement opportunities on one website.

E. As part of any procurement provisions of the management agreement, the governing board of a covered institution shall identify the public, educational, and operational interests served by any procurement rule that deviates from procurement rules in the Virginia Public Procurement Act (§ 2.2-4300 et seq.).