

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB2324

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: Peace

3. Committee: Committee Referral Pending

4. Title: Major information technology project procurement; terms and conditions, etc.

5. Summary: Requires, in any contract for a major information technology project, terms and conditions relating to the indemnification obligations and liability of a contractor to be reasonable and to not exceed in aggregate twice the value of the contract. The bill also provides that there shall be no limitation on the liability of a contractor for (i) any intentional or willful misconduct, fraud, or recklessness of a supplier or any employee of a supplier or (ii) claims for bodily injury, including death, and damage to real property or tangible personal property resulting from the negligence of a supplier or any employee of a supplier.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate, see Item 8

8. Fiscal Implications: The fiscal impact is indeterminate due to the varied nature of the IT contracts managed by the Virginia Information Technologies Agency (VITA). There are no additional costs from a staffing perspective anticipated from this legislation. However, limiting the liability of a contractor to a maximum of twice the value of a contract may increase the financial risk for the Commonwealth, should one of the information technology contracts that VITA manages have an applicable breach.

9. Specific Agency or Political Subdivisions Affected: Virginia Information Technologies Agency

10. Technical Amendment Necessary: No

11. Other Comments: Companion to Senate Bill 1329 (Ruff). The language of the proposed legislation is similar to the standard contract template developed by VITA in conjunction with OAG for use in its procurements.