

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** SB225

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

**2. Patron:** McPike

**3. Committee:** General Laws and Technology

**4. Title:** Virginia Public Procurement Act; architectural and professional engineering term contracting.

**5. Summary:** Provides that the sum of all projects performed in an architectural and professional engineering contract term shall not exceed \$10 million, and the fee for any single project shall not exceed \$2.5 million. The bill allows a contract for multiple architectural or professional engineering projects to be renewable for up to three additional terms at the option of the public body. Current law limits the sum of all projects performed in a one-year contract term to \$750,000, with up to four additional one-year terms at the option of the public body, and limits the fee for any single project to \$150,000, with specific exceptions to those limits, including a limit for total projects for rail projects of \$5 million and for highway projects, \$8 million. The bill also removes specific agency and locality exceptions to such current limits.

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

**7. Fiscal Impact Estimates:** No state fiscal impact.

**8. Fiscal Implications:** The Department of General Services indicates that this bill does not have a fiscal impact.

**9. Specific Agency or Political Subdivisions Affected:** This bill as written applies to all public bodies subject to the Virginia Public Procurement Act (VPPA). This bill does not apply to higher education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement (currently 12 Level III and Level II institutions). Additionally, the bill does not apply to local governments that have exempted themselves from the VPPA as authorized by Va. Code §2.2-4343 (9,10,11).

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

**11. Other Comments:** This bill is identical to HB429.

Date: January 18, 2022

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