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**HOUSE BILL NO. 563**

House Amendments in [ ] — February 12, 1996

A *BILL* to amend the Code of Virginia by adding a section numbered 11-41.2:02 and by adding in Title 66 a chapter numbered 2.1, consisting of sections numbered 66-25.3 through 66-25.7, relating to the Juvenile Corrections Private Management Act.

Patron—Hamilton

Referred to Committee on Health, Welfare and Institutions

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding a section numbered 11-41.2:02 and by adding in Title 66 a chapter numbered 2.1, consisting of sections numbered 66-25.3 through 66-25.7, as follows:**

*§ 11-41.2:02. Fixed-price or not-to-exceed-price design-build and construction management contracts for juvenile correctional facilities authorized.*

*Notwithstanding the provisions of § 11-41.2, but subject to the procedures adopted by the Secretary of Administration to implement the provisions of that section, the Commonwealth may enter into contracts for juvenile correctional facilities on a fixed-price or not-to-exceed-price design-build basis or construction management basis, including related leases, lease/purchase contracts, agreements relating to the sale of securities to finance such facilities, and similar financing agreements; however, there shall be no limitation on the type of construction project and no need for justification to, or prior approval by, the Department of General Services for initiating procurement of such contract. The contract shall be awarded to the lowest price offeror, unless the Department of Youth and Family Services has received the approval of the Director of the Division of Engineering and Buildings to award on an alternate basis.*

**CHAPTER 2.1.***Juvenile Corrections Private Management Act.**§ 66-25.3. Definitions.*

*As used in this chapter unless the context requires otherwise or it is otherwise provided:*

*"Correctional services" means the following functions, services and activities when provided within a juvenile correctional facility or otherwise:*

- 1. Operation of facilities, including management, custody of juveniles and provision of security;*
- 2. Food services, commissary, medical services, transportation, sanitation or other ancillary services;*
- 3. Development and implementation assistance for classification, management information systems or other information systems or services;*
- 4. Education, training and employment programs;*
- 5. Recreational, religious and other activities; and*
- 6. Counseling, special treatment programs, or other programs for special needs.*

*"Juvenile correction facility" or "center" or "facility" means any institution operated by or under the authority of the Department and shall include, whether obtained by purchase, lease, lease/purchase, construction, reconstruction, restoration, improvement, alteration, repair or other means, any physical betterment or improvement related to the housing of juveniles or any preliminary plans, studies or survey relative thereto; land or rights to land; and any furnishings, machines, vehicles, apparatus, or equipment for use in connection with any juvenile correctional facility.*

*"Contractor" means any entity entering into or offering or proposing to enter into a contractual agreement to provide any juvenile correctional facility for or correctional services to juveniles under the custody of the Commonwealth.*

*§ 66-25.4. State juvenile correctional facilities; private contracts.*

*The Director, subject to any applicable regulations which may be promulgated by the Board pursuant to § 66-10, is hereby authorized to enter into contracts for the financing, site selection, design, acquisition, construction, maintenance, leasing, leasing/purchasing, management or operation of juvenile correctional facilities or any combination of those services subject to the requirements and limitations set out below.*

*1. Contracts entered into under the terms of this chapter shall be with an entity submitting an acceptable response pursuant to a request for proposals. An acceptable response shall be one which meets all the requirements in the request for proposals. However, no contract for juvenile correctional facilities or correctional services may be entered into unless the private contractor demonstrates to the satisfaction of the Director that it has:*

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60 a. The qualifications, experience and management personnel necessary to carry out the terms of this  
61 contract;  
62 b. The financial resources to provide indemnification for liability arising from the management of  
63 juvenile correctional projects;  
64 c. Evidence of past performance of similar contracts; and  
65 d. The ability to comply with all applicable federal and state constitutional standards; federal, state,  
66 and local laws, court orders; and juvenile correctional standards.

67 2. Contracts awarded under the provision of this chapter, including contracts for the provision of  
68 juvenile correctional services, the construction of juvenile correctional facilities, or for the lease,  
69 lease/purchase or use of public or private lands or buildings for use in the operation of facilities, may  
70 be entered into for a period of up to thirty years, subject to the requirements for annual appropriation  
71 of funds by the Commonwealth.

72 3. Contracts awarded under the provisions of this chapter shall, at a minimum, comply with the  
73 following:

74 a. Provide for [ ~~internal and perimeter~~ appropriate ] security to protect the public, employees and  
75 committed juveniles;  
76 b. Provide juveniles with work or training opportunities while incarcerated; however, the contractor  
77 shall not benefit financially from the labor of committed juveniles;  
78 c. Impose discipline on committed juveniles only in accordance with applicable regulations; and  
79 d. Provide proper food, clothing, housing and medical care for juveniles.

80 4. No contract for juvenile correctional facilities or juvenile correctional services shall be entered  
81 into unless the following requirements are met:

82 a. The contractor provides audited financial statements for the previous five years or for each of the  
83 years the contractor has been in operation, if fewer than five years, and provides other financial  
84 information as requested; and  
85 b. The contractor provides an adequate plan of indemnification, specifically including indemnity for  
86 civil rights claims. The indemnification plan shall be adequate to protect the Commonwealth and public  
87 officials from all claims and losses incurred as a result of the contract. Nothing herein is intended to  
88 deprive a contractor or the Commonwealth of the benefits of any law limiting exposure to liability or  
89 setting a limit on damages.

90 5. No contract for juvenile correctional facilities or correctional services shall be executed by the  
91 Director nor shall any funds be expended for the contract unless:

92 a. The proposed contract complies with any applicable regulations which may be promulgated by the  
93 Board pursuant to § 66-10 [ and by the Board of Correctional Education pursuant to § 22.1-343 ] ;  
94 b. An appropriation for the facilities or the services to be provided under the contract has been  
95 expressly approved as is otherwise provided by law;  
96 c. The juvenile correctional facilities or the correctional services proposed by the contract are of at  
97 least the same quality as those routinely provided by the Department to similar types of committed  
98 juveniles;  
99 d. An evaluation of the proposed contract demonstrates a cost benefit to the Commonwealth when  
100 compared to alternative means of providing the facilities or the services through governmental agencies;

101 e. If a contract for acquiring facilities requires or otherwise contemplates that the Commonwealth,  
102 whether subject to appropriation or not, will make payments beyond the current biennium that are  
103 expected to pay debt service on any bonds or other obligations issued to finance such facilities,  
104 regardless of the issuer thereof, then (i) the Treasury Board shall approve the terms and structure of  
105 such bonds or other obligations and (ii) the appropriation for such facilities acknowledges that  
106 payments for the acquisition of such facilities are expected to be made beyond the current biennium  
107 under a capital lease, lease/purchase, or similar arrangement. Any contract that is for two years or less,  
108 or is cancelable by the Commonwealth without cause after such a period, shall not be deemed a  
109 contract as described herein; and  
110 f. Nothing herein shall be construed to constitute a waiver for the Department or contractor from  
111 complying with the provisions of § 66-3(4).

112 § 66-25.5. Powers and duties not delegable to contractor.

113 No contract for juvenile correctional services shall authorize, allow, or imply a delegation of  
114 authority or responsibility of the Director to a contractor for any of the following:

115 1. Developing and implementing procedures for calculating release and parole eligibility dates for  
116 committed juveniles;  
117 2. Approving juveniles for furlough and work release;  
118 3. Approving the type of work juveniles may perform and the wages which may be given the  
119 juveniles engaging in such work;  
120 4. Classifying a committed juvenile or placing a committed juvenile in less restrictive custody or  
121 more restrictive custody;

122 5. Transferring a committed juvenile; however, the contractor may make written recommendations  
123 regarding the transfer of a committed juvenile;

124 6. Formulating rules of behavior for committed juveniles, violations of which may subject committed  
125 juveniles to sanctions; however, the contractor may propose such rules to the Director for his review  
126 and adoption, rejection, or modification as otherwise provided by law or regulation; and

127 7. Disciplining committed juveniles in any manner which requires a discretionary application of rules  
128 of behavior for committed juveniles or a discretionary imposition of a sanction for violations of such  
129 rules.

130 § 66-25.6. Board shall promulgate regulations [ ; local school board exemption ] .

131 [ A. ] The Board shall make, adopt and promulgate regulations governing the following aspects of  
132 private management and operation of juvenile correctional facilities:

133 1. Contingency plans for state operation of a contractor-operated facility in the event of a  
134 termination of the contract;

135 2. Use of physical force and mechanical restraint by the contractors' security personnel;

136 3. Methods of monitoring a contractor-operated facility by the Department or the Board;

137 4. Public access to a contractor-operated facility; and

138 5. Such other regulations as may be necessary to carry out the provisions of this chapter.

139 [ B. Nothing in this chapter shall be construed to require local school boards to provide educational  
140 services to juveniles while committed to a state juvenile correctional facility. ]

141 § 66-25.7. Fixed-price or not-to-exceed-price design-build-operate and related contracts authorized.

142 Notwithstanding any other provisions of law to the contrary, but in accordance with the procedures  
143 consistent with those described in the Virginia Public Procurement Act (§ 11-35 et. seq.) for  
144 procurement of nonprofessional services through competitive negotiation, the Director may enter into  
145 design-build-operate contracts for juvenile correctional facilities on a fixed-price or not-to-exceed price  
146 basis, including related leases, lease/purchase contracts, agreements relating to the sale of securities to  
147 finance such facilities, and similar financing agreements and agreements for correctional services. For  
148 the purposes of this section, "design-build-operate" contract shall mean a contract between the  
149 Commonwealth and another party in which the party contracting with the Commonwealth agrees to (i)  
150 design, build and operate the juvenile correctional facility or (ii) design and build the juvenile  
151 correctional facility where the facility is to be operated by a third party.

152 The Director shall maintain adequate records to allow post-project evaluation.

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