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## HOUSE BILL NO. 1335

Offered January 26, 1998

*A BILL to amend and reenact § 11-45 of the Code of Virginia, to amend and reenact § 2, as amended, of Chapter 271 of the 1966 Acts of Assembly, and to amend such chapter by adding a section numbered 7.3, relating to the Chesapeake Hospital Authority; membership; exemption from the Public Procurement Act.*

Patrons—Spruill, Barlow, Blevins, Christian, Crittenden, Croshaw, Darner, Drake, Hall, Harris, Jones, D.C., Jones, S.C., Keating, McDonnell, McEachin, Robinson, Rust, Stump and Wagner; Senators: Lambert, Lucas, Maxwell and Miller, Y.B.

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That § 11-45 of the Code of Virginia is amended and reenacted as follows:**

§ 11-45. Exceptions to requirement for competitive procurement.

A. Any public body may enter into contracts without competition for the purchase of goods or services (i) which are performed or produced by persons, or in schools or workshops, under the supervision of the Virginia Department for the Visually Handicapped; or (ii) which are performed or produced by nonprofit sheltered workshops or other nonprofit organizations which offer transitional or supported employment services serving the handicapped.

B. Any public body may enter into contracts without competition for (i) legal services, provided that the pertinent provisions of Chapter 11 (§ 2.1-117 et seq.) of Title 2.1 remain applicable; or (ii) expert witnesses and other services associated with litigation or regulatory proceedings.

C. Any public body may extend the term of an existing contract for services to allow completion of any work undertaken but not completed during the original term of the contract.

D. An industrial development authority may enter into contracts without competition with respect to any item of cost of "authority facilities" or "facilities" as defined in § 15.1-1374 (d).

E. The Department of Alcoholic Beverage Control may procure alcoholic beverages without competitive sealed bidding or competitive negotiation.

F. Any public body administering public assistance programs as defined in § 63.1-87, the fuel assistance program, community services boards as defined in § 37.1-1, or any public body purchasing services under the Comprehensive Services Act for At-Risk Youth and Families (§ 2.1-745 et seq.) may procure goods or personal services for direct use by the recipients of such programs without competitive sealed bidding or competitive negotiations if the procurement is made for an individual recipient. Contracts for the bulk procurement of goods or services for the use of recipients shall not be exempted from the requirements of § 11-41.

G. Any public body may enter into contracts without competitive sealed bidding or competitive negotiation for insurance if purchased through an association of which it is a member if the association was formed and is maintained for the purpose of promoting the interest and welfare of and developing close relationships with similar public bodies, provided such association has procured the insurance by use of competitive principles and provided that the public body has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding and competitive negotiation are not fiscally advantageous to the public. The writing shall document the basis for this determination.

H. The Department of Health may enter into contracts with laboratories providing cytology and related services without competitive sealed bidding or competitive negotiation if competitive sealed bidding and competitive negotiations are not fiscally advantageous to the public to provide quality control as prescribed in writing by the Commissioner of Health.

I. The Director of the Department of Medical Assistance Services may enter into contracts without competitive sealed bidding or competitive negotiation for special services provided for eligible recipients pursuant to § 32.1-325 E, provided that the Director has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding or competitive negotiation for such services is not fiscally advantageous to the public, or would constitute an imminent threat to the health or welfare of such recipients. The writing shall document the basis for this determination.

J. The Virginia Code Commission may enter into contracts without competitive sealed bidding or competitive negotiation when procuring the services of a publisher, pursuant to §§ 9-77.7 and 9-77.8, to publish the Code of Virginia or the Virginia Administrative Code.

INTRODUCED

HB1335

60 K. (Effective until July 1, 1999) The State Health Commissioner may enter into agreements or  
61 contracts without competitive sealed bidding or competitive negotiation for the compilation, storage,  
62 analysis, evaluation, and publication of certain data submitted by health care providers and for the  
63 development of a methodology to measure the efficiency and productivity of health care providers  
64 pursuant to Chapter 7.2 (§ 32.1-276.2 et seq.) of Title 32.1, if the Commissioner has made a  
65 determination in advance, after reasonable notice to the public and set forth in writing, that competitive  
66 sealed bidding or competitive negotiation for such services is not fiscally advantageous to the public.  
67 The writing shall document the basis for this determination. Such agreements and contracts shall be  
68 based on competitive principles.

69 L. A community development authority formed pursuant to subsection B of § 15.1-1241, with  
70 members selected pursuant to subdivision 5 of that subsection, may enter into contracts without  
71 competition with respect to the exercise of any of its powers permitted by § 15.1-1250.03; however, this  
72 exception shall not apply in cases where any public funds other than special assessments and  
73 incremental real property taxes levied pursuant to § 15.1-1250.03 are used as payment for such contract.

74 M. Virginia Correctional Enterprises may enter into contracts without competitive sealed bidding or  
75 competitive negotiation when procuring materials, supplies, or services for use in and support of its  
76 production facilities, provided such procurement is accomplished using procedures which ensure the  
77 efficient use of funds as practicable and, at a minimum, shall include obtaining telephone quotations.  
78 Such procedures shall require documentation of the basis for awarding contracts under this section.

79 N. The Virginia Baseball Stadium Authority may enter into agreements or contracts without  
80 competitive sealed bidding or competitive negotiation for the operation of any facilities developed under  
81 the provisions of Chapter 5.3 (§ 15.1-227.70 et seq.) of Title 15.1, including contracts or agreements  
82 with respect to the sale of food, beverages and souvenirs at such facilities.

83 O. The Department of Health may procure child restraint devices, pursuant to § 46.2-1097, without  
84 competitive sealed bidding or competitive negotiation.

85 *P. The Chesapeake Hospital Authority may enter into contracts without competitive sealed bidding or*  
86 *competitive negotiation in the exercise of any power conferred under Chapter 271, as amended, of the*  
87 *1966 Acts of Assembly.*

88 **2. That § 2, as amended, of Chapter 271 of the 1966 Acts of Assembly is amended and reenacted,**  
89 **and that such chapter is amended by adding a section numbered 7.3 as follows:**

90 § 2. The Authority shall be composed of eleven members, two of whom shall be licensed members  
91 of the medical profession, all of whom shall be appointed by the city council. The terms of the members  
92 shall be four years and staggered so that no more than ~~six~~four members shall be appointed ~~every two~~  
93 ~~years in any one year~~; provided, however, that for terms which commence in 1999, the council shall  
94 appoint four members for four-year terms and two members for five-year terms, and for terms which  
95 commence in 2001, the council shall appoint four members for four-year terms and one member for a  
96 three-year term. Any member may be reappointed. Members shall be compensated for their services in  
97 the amount not in excess of ~~\$2,000~~ 3,000 per annum and shall be entitled to reimbursement for  
98 necessary traveling and other expenses incurred while engaged in the performance of their duties. Each  
99 member shall continue to hold office until his successor has been appointed and qualified. The council  
100 shall have the right to remove any member or officer, for malfeasance or misfeasance, incompetency or  
101 gross neglect of duty. Vacancies shall be filled by appointment of the council for unexpired terms, or in  
102 the case of an increase in the size of the Authority, filled by appointment of the council, which  
103 appointments may be for an initial term less than four years. Members shall take an appropriate oath of  
104 office and same shall be filed with the city clerk. Members shall elect on an annual basis one of their  
105 number as chairman and another as vice-chairman and shall also elect a secretary and treasurer for terms  
106 to be determined by them, who may or may not be one of the members. The same person may serve as  
107 both secretary and treasurer. The members shall make such rules, regulations and bylaws for their own  
108 government and procedure as they shall determine; they shall meet regularly at least once a month and  
109 may hold such special meetings as they deem necessary.

110 § 7.3. *The provisions of the Virginia Public Procurement Act (§ 11-35 et seq.) of the Code of*  
111 *Virginia shall not apply to the Authority in the exercise of any power conferred under this chapter. The*  
112 *Authority shall not discriminate against any person on the basis of race, color, religion, national origin,*  
113 *sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability in the*  
114 *procurement of goods and services.*