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## SENATE BILL NO. 1112

Offered January 21, 1999

*A BILL to amend and reenact § 11-45 of the Code of Virginia, relating to the Department of Health; exemptions from the Public Procurement Act.*

Patrons—Schrock, Bolling, Gartlan, Lambert, Martin, Walker and Woods; Delegates: Baker, Brink, Davies, DeBoer, Diamonstein, Hall, Hamilton, Melvin and Morgan

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 § 15.2-4902.

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.

K. (Effective until July 1, 1999) The State Health Commissioner may enter into agreements or contracts without competitive sealed bidding or competitive negotiation for the compilation, storage, analysis, evaluation, and publication of certain data submitted by health care providers and for the

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60 development of a methodology to measure the efficiency and productivity of health care providers  
61 pursuant to Chapter 7.2 (§ 32.1-276.2 et seq.) of Title 32.1, if the Commissioner has made a  
62 determination in advance, after reasonable notice to the public and set forth in writing, that competitive  
63 sealed bidding or competitive negotiation for such services is not fiscally advantageous to the public.  
64 The writing shall document the basis for this determination. Such agreements and contracts shall be  
65 based on competitive principles.

66 L. A community development authority formed pursuant to Article 6 (§ 15.2-5152 et seq.) of Chapter  
67 51 of Title 15.2, with members selected pursuant to such article, may enter into contracts without  
68 competition with respect to the exercise of any of its powers permitted by § 15.2-5158; however, this  
69 exception shall not apply in cases where any public funds other than special assessments and  
70 incremental real property taxes levied pursuant to § 15.2-5158 are used as payment for such contract.

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

76 N. The Virginia Baseball Stadium Authority may enter into agreements or contracts without  
77 competitive sealed bidding or competitive negotiation for the operation of any facilities developed under  
78 the provisions of Chapter 58 (§ 15.2-5800 et seq.) of Title 15.2, including contracts or agreements with  
79 respect to the sale of food, beverages and souvenirs at such facilities.

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

82 P. With the consent of the Governor, the Jamestown-Yorktown Foundation may enter into  
83 agreements or contracts with private entities without competitive sealed bidding or competitive  
84 negotiation for the promotion of tourism through marketing provided a demonstrable cost savings, as  
85 reviewed by the Secretary of Education, can be realized by the Foundation and such agreements or  
86 contracts are based on competitive principles.

87 Q. The Virginia Racing Commission may designate an entity to administer and promote the Virginia  
88 Breeders Fund created pursuant to § 59.1-372.

89 R. The Chesapeake Hospital Authority may enter into contracts without competitive sealed bidding or  
90 competitive negotiation in the exercise of any power conferred under Chapter 271, as amended, of the  
91 Acts of Assembly of 1966.

92 S. The Hospital Authority of Norfolk may enter into contracts without competitive sealed bidding or  
93 competitive negotiation in the exercise of any power conferred under Chapter 53 (§ 15.2-5300 et seq.) of  
94 Title 15.2. The Authority shall not discriminate against any person on the basis of race, color, religion,  
95 national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability  
96 in the procurement of goods and services.

97 *T. The Department of Health may enter into contracts without competitive sealed bidding or*  
98 *competitive negotiation for health care services with Virginia corporations granted tax-exempt status*  
99 *under § 501 (c) (3) of the Internal Revenue Code and operating as clinics for the indigent and*  
100 *uninsured that are organized for the delivery of primary health care services in a community (i) as*  
101 *federally qualified health centers designated by the Health Care Financing Administration or (ii) at a*  
102 *reduced or sliding fee scale or without charge.*