

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** HB1628

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:** Albo

**3. Committee:** General Laws

**4. Title:** Virginia Public Procurement Act; contract modification.

**5. Summary:** Provides that the contract modification provisions of the Virginia Public Procurement Act do not limit the amount a party to a public contract may claim or recover against a public body in the event of a contract dispute. The bill provides that modifications that fail to comply with the above provisions are voidable at the discretion of the Governor or his designee, in the case of state agencies, or the governing body, in the case of political subdivisions, and the unauthorized approval of a modification cannot be the basis of a contractual claim under the Virginia Public Procurement Act.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Fiscal impact is indeterminate. See Item 8.

**8. Fiscal Implications:** The fiscal impact of this bill is indeterminate.

The bill specifies that the Virginia Public Procurement Act does not limit the amount a party to a public contract may claim or recover against a public body in the event of a contract dispute. The Department of the Treasury's Risk Management Division reports a fiscal impact from this provision is unlikely due to the protection provided to the state in the Tort Claims Act and other statute.

The bill also provides that contract modifications that fail to comply with the contract modification requirements in § 2.2-4309 are voidable at the discretion of the Governor or his designee. If this authority is utilized, an impact would be expected; however, such impact is indeterminate because the number of contract modifications that may be subject to such an action is unknown.

**9. Specific Agency or Political Subdivisions Affected:** State agencies and other public bodies without an exception to the Virginia Public Procurement Act

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/29/2015

**Document:** H:\GENERAL ASSEMBLY\2015 Session\DGS\HB1628\HB1628.doc