

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** HB1628-E

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<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 as engrossed by the House provides that contract modifications made by a political subdivision that fail to comply with the contract modification provisions of the Virginia Public Procurement Act are voidable at the discretion of the governing body and the unauthorized approval of a modification cannot be the basis of a contractual claim under the Virginia Public Procurement Act. The engrossed version does not provide authority for the Governor to void noncompliant contract modifications of state agencies, as was provided in the introduced version of the bill.

**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.

**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:** The fiscal impact of the engrossed version of the bill remains indeterminate.

**Date:** 2/20/2015

**Document:** H:\GENERAL ASSEMBLY\2015 Session\DGS\HB1628\HB1628E.doc