

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB657

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Davis

3. Committee: General Laws

4. Title: Virginia Public Procurement Act; competitive sealed bidding.

5. Summary: Requires bidders to submit two bids for any procurement that will receive less than 25 percent of its funding from the federal government. One bid shall include costs that account for wages required under the Davis-Bacon Act, 40 U.S.C. §§ 276a-276a-5, as amended, and the other bid shall include costs that account for wages as customarily paid by the bidder.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary; fiscal impact is indeterminate. See Item 8.

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. Bidders will be required to submit two different bids reflecting wages required under the Davis-Bacon Act and wages as customarily paid by the bidder for procurements that will receive less than 25 percent of its funding from the federal government. This increases the administrative requirements of bidders to prepare bids in response to public body solicitation for bids. Bidders could potentially pass on the cost of this administrative requirement in the price of their bid.

Currently, all public bodies include in the appropriate terms and conditions in procurements funded in whole or in part by federal dollars requiring that the contractor to adhere to the Davis-Bacon Act. As a result, the bidder submitting two bids will only be responsive on the bid offering wages in compliance with the Davis-Bacon Act. The bid that does not contain the Davis-Bacon Act wages will be non-responsive and not eligible for award, even if the price is lower.

9. Specific Agency or Political Subdivisions Affected: All public bodies required to follow the Virginia Public Procurement Act (VPPA).

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/31/2018