

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: SB312

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: Edwards

3. Committee: General Laws and Technology

4. Title: Cooperative procurement of professional services; construction; solar power purchase agreements.

5. Summary: Provides that construction performed in creating a good or service pursuant to a solar services agreement, solar power purchase agreement, or solar self-generation agreement shall not be defined as construction, notwithstanding any reference to "construction" in a request for proposal for a solar services agreement, solar power purchase agreement, or solar self-generation agreement. The measure also provides that professional services, such as engineering, performed in creating a good or service pursuant to a solar services agreement, solar power purchase agreement, or solar self-generation agreement shall not be defined as a professional service, notwithstanding any reference to "professional services" in a request for proposal for a solar services agreement, solar power purchase agreement, or solar self-generation agreement. The measure authorizes any contracting entity to purchase services under a solar services agreement, solar power purchase agreement, or solar self-generation agreement entered into by another contracting entity, even if it did not participate in the request for proposals, if the request for proposals specified that the procurement was being conducted on behalf of other contracting entities. The measure specifies that project agreements for power purchase agreements that reference a master solar power purchase agreement, whether or not the master power purchase agreement is still in effect, shall be binding and effective stand-alone agreements for as long as the life of the project agreements, and may be used by a contracting entity to purchase services under a cooperative procurement agreement. The measure has a delayed effective date of January 1, 2019.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The fiscal impact of the bill is indeterminate. The bill allows the use of cooperative contracts for the purchase of solar services agreements, solar power purchase agreements, or solar self-generation agreements. The bill would also exempt any construction or professional services performed in creating a good or service for such agreements from the requirements for construction and professional services in the Virginia Public Procurement Act (VPPA) by excluding such goods and services from the definitions of construction and professional services. Solar agreements could potentially pose increased safety risks in the absence of such requirements on project design and construction,

according to the Department of General Services. Any such impact on safety risks or contract costs are indeterminate.

This bill is not expected to have a fiscal impact on the Virginia Department of Mines, Minerals, and Energy.

- 9. Specific Agency or Political Subdivisions Affected:** All state and local public bodies unless the body has received an exemption from the VPPA, such as through the Higher Education Restructuring Act or the Appropriation Act.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/5/2018