

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: SB1329

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: Ruff

3. Committee: General Laws and Technology

4. Title: Major information technology project procurement; terms and conditions, etc.

5. Summary: Requires in any contract for a major information technology project, terms and conditions relating to the indemnification obligations and liability of a contractor to be reasonable and to not exceed in aggregate twice the value of the contract. The bill also provides that there shall be no limitation on the liability of a contractor for (i) any intentional or willful misconduct, fraud, or recklessness of a supplier or any employee of a supplier or (ii) claims for bodily injury, including death, and damage to real property or tangible personal property resulting from the negligence of a supplier or any employee of a supplier.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate; See Item 8

8. Fiscal Implications: The fiscal impact is indeterminate due to the varied nature of the IT contracts managed by VITA. There are no additional costs from a staffing perspective anticipated from this legislation. However, limiting the liability of a contractor to a maximum of twice the value of a contract may increase the financial risk for the Commonwealth, should one of the information technology contracts that VITA manages have an applicable breach.

9. Specific Agency or Political Subdivisions Affected: N/A

10. Technical Amendment Necessary: No

11. Other Comments: The language of the proposed legislation is similar to the standard contract template developed by VITA in conjunction with OAG for use in its procurements.