

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB954

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Petersen

3. Committee: General Laws and Technology

4. Title: Virginia Public Procurement Act; construction management and design-build contracting.

5. Summary: Requires a two-step process consisting of (i) a preconstruction contract and(ii) competitive sealed bidding for construction services for certain projects totaling less than \$125 million. Complex projects, defined in the bill, may request an exemption from the provisions of the bill and relevant law from the Secretary of Administration. If a complex project total is more than \$125 million, the bill provides that an exemption from the provisions of the bill and relevant law is not required. Finally, the bill states that competitive sealed bidding is the preferred method of procurement for construction services in the Commonwealth.

6. Budget Amendment Necessary: See item 8

7. Fiscal Impact Estimates: Preliminary – indeterminate, see item 8

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. The bill puts greater restrictions on the construction manager and design build construction procurement methods and eliminates the ability for the construction manager to obtain subcontractor services on a best value basis, requiring low bid only. The bill restricts construction procurements under \$5 million to using competitive sealed bidding only.

9. Specific Agency or Political Subdivisions Affected: State public bodies, Institutions of Higher Education, Local public bodies

10. Technical Amendment Necessary: No

11. Other Comments: This bill is identical to HB1957.