

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB1191

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

2. Patron: Sickles

3. Committee: General Laws

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

5. Summary: States that design-bid-build, defined in the bill, utilizing competitive sealed bidding is the preferred method of procurement for construction services in the Commonwealth. Complex projects, defined in the bill, may request an exemption from the provisions of the bill and relevant law from the Division of Engineering and Buildings of the Department of General Services. The bill requires all documents related to the proposed use of construction management or design-build by state public bodies and institutions of higher education and any available subcontractor opportunities to be posted on eVA. The bill transfers from the Department of General Services to the Division of Engineering and Buildings the authority to evaluate the proposed use of construction management or design-build by state public bodies and institutions of higher education and specifies that a local governing body must approve at a public meeting the use of construction management or design-build by a local public body. Finally, the bill prohibits state public bodies, institutions of higher education, and local governing bodies from considering prior construction management or design-build experience of contractors on comparable projects.

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 defines design-bid-build utilizing competitive sealed bidding as the preferred method of procurement in the Commonwealth and imposes greater restrictions on the construction manager and design-build construction procurement methods. The bill also eliminates the ability for the construction manager to obtain subcontractor services on a best value basis, requiring low bid only.

The fiscal impact is indeterminate. It is unknown if design-bid-build procurements are more cost-effective than construction management contracts. Bid prices are always subject to the conditions of the procurement market at any given time. The Department of General Services indicates that the provision to advertise all design-build and construction management procurements on eVA will not incur a fiscal impact.

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 SB18.