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## **HOUSE BILL NO. 1032**

Offered January 13, 2010 Prefiled January 13, 2010

A BILL to amend and reenact § 2.2-1132 of the Code of Virginia, relating to the Department of General Services; capital outlay review and approval process.

## Patron—Pollard

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

## 1. That § 2.2-1132 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-1132. Administration of capital outlay construction; exception for certain educational institutions and construction projects.

A. The Division shall provide assistance in the administration of capital outlay construction projects set forth in the appropriation act, other than highway construction undertaken by the Department of Transportation and the acquisition or improvement of specialized cargo-handling equipment and related port infrastructure including, but not limited to, port construction, renovation, and demolition that is required in a timely manner to meet market demands to enhance commerce through the Virginia Port Authority, the review and approval of plans and specifications, and acceptance of completed projects.

B. The Division may establish standards, as needed, for construction by the Commonwealth and may, with the advice of the Attorney General, establish standard contract provisions and procedures for the procurement and administration of construction and for the procurement and administration of architectural and engineering services relating to construction, which shall be used by all departments, agencies and institutions of the Commonwealth. All departments, agencies and institutions of the Commonwealth shall ensure that the design and construction of state-owned buildings comply with the standards governing energy use and efficiency established by the Division. The standards may provide for incentive contracting that offers a contractor whose bid is accepted the opportunity to share in any cost savings realized by the Commonwealth when project costs are reduced by the contractor, without affecting project quality, during construction of the project. The fee, if any, charged by the project engineer or architect for determining the cost savings shall be paid as a separate cost and shall not be calculated as part of any cost savings.

C. Notwithstanding any standards established by the Division or law to the contrary except as provided in this subsection, any public institution of higher education that has in effect a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as set forth in the appropriation act may enter into contracts for specific construction projects without the preliminary review and approval of the Division, provided such institutions are in compliance with the requirements of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) and utilize the general terms and conditions for those forms of procurement approved by the Division and the Office of the Attorney General. The authority granted in this subsection shall only become effective if the institution meets the conditions prescribed in subsection B of § 23-38.88. The Secretary of Administration shall establish guidelines to assist institutions in evaluating alternative project delivery methods prior to entering into a contract. For projects constructed pursuant to this subsection, the responsibility of the Division of Engineering and Buildings shall be as set forth in subsection C of § 36-98.1.

D. Any construction project undertaken by a department, agency, or institution of the Commonwealth that has a cost of less than \$750,000 shall be exempt from the capital outlay review and approval process, provided such department, agency, or institution is in compliance with the requirements of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) utilizing the general terms and conditions for those forms of procurement approved by the Division and the Office of the Attorney General and that the construction meets the applicable provisions of the Uniform Statewide Building Code (§ 36-97 et seq.).

For purposes of this section, "construction" shall include new construction, reconstruction, renovation, restoration, major repair, demolition and all similar work upon buildings and ancillary facilities owned or to be acquired by the Commonwealth. It shall not include buildings or other facilities ancillary to the use of state highways that are located within the right-of-way of any state highway, or assets for use by the Virginia Port Authority within the boundaries of property owned or leased by the Virginia Port Authority.