

COMMITTEE ON GOVERNMENT SERVICES,
VETERANS AND CONSUMER AFFAIRS

BILL NO. 31-0365

Thirty-first Legislature of the Virgin Islands

May 31, 2016

An Act amending title 33 Virgin Islands Code, chapter 113 by adding a section 3101a providing for multiyear contracts

PROPOSED BY: Senator Clifford F. Graham

1 *Be it enacted by the Legislature of the Virgin Islands:*

2 **SECTION 1.** Title 33 Virgin Islands Code, chapter 113 is amended by adding a
3 section 3101a to read:

4 **“3101a. Multiyear contracts**

5 In this section, a multiyear contract means a contract for the purchase of property or
6 services for more than one, but not more than three fiscal years.

7 (a) An executive agency may enter into a multiyear contract for the acquisition of
8 property or services if--

9 (1) funds are available and obligated for the contract, for the full period of
10 the contract or for the first fiscal year in which the contract is in effect, and for the
11 estimated costs associated with a necessary termination of the contract; and

12 (2) the executive agency determines that--

1 (A) the need for the property or services is reasonably firm and
2 continuing over the period of the contract; and

3 (B) a multiyear contract will serve the best interests of the
4 Government of the Virgin Islands by encouraging full and open competition or
5 promoting economy in administration, performance, and operation of the
6 agency's programs.

7 (b) A multiyear contract entered into under the authority of this section must
8 include a clause that provides that the contract shall be terminated if funds are not made
9 available for the continuation of the contract in a fiscal year covered by the contract. Funds
10 available for paying termination costs remain available for that purpose until the costs
11 associated with termination of the contract are paid.

12 (c) Before a contract described in subsection (b) which contains a clause setting
13 forth a cancellation ceiling in excess of \$10,000,000 may be awarded, the executive agency
14 shall give written notification of the proposed contract and of the proposed cancellation ceiling
15 for that contract to Legislature of the Virgin Islands. The contract may not be awarded until
16 the end of the 30-day period beginning on the date of the notification.

17 (d) A multiyear contract may provide that performance under the contract after the
18 first year of the contract is contingent on the appropriation of funds and, if the contract does so
19 provide, that a cancellation payment shall be made to the contractor if the funds are not
20 appropriated.

21 (e) This section does not modify or affect any law that authorizes multiyear
22 contracts.”

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BILL SUMMARY

This bill provides for executive agencies of the executive branch to enter into multiyear contracts without necessarily providing funding for the entire term of the contract. A termination clause must be included in the contract providing for the termination of the contract if funds are not made available for the continuation of the contract in a fiscal year covered by the contract. The contract may also contain a provision providing that performance under the contract after the first year is contingent upon subsequent appropriation of funds and if the contract contains such a provision, the contract must also contain a provision providing for a cancellation payment to the contractor if funds are not appropriated. Monies must be appropriated with the contract to cover termination or cancellation costs.

BR15-0922/March 14, 2016/SLR