

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB2151

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Amundson

3. Committee General Laws

4. Title Virginia Public Procurement Act; preference for Virginia firms.

5. Summary/Purpose: Provides that whenever any bidder is a resident of any other state and such state under its laws allows a resident contractor of that state a preference, a like preference shall be allowed to the lowest responsible bidder who is a resident of Virginia. Currently, a preference for Virginia resident may be given.

6. Fiscal Impact Estimates are: Indeterminate, (see Item 8.)

7. Budget amendment necessary: No.

8. Fiscal implications: The bill as written will require state agencies that currently do not apply the optional reciprocal preference be mandated to apply the preference. The current language in the code is permissive but not mandatory. This bill as written will increase administrative time for bid programs. Buyers may have to verify out of state preferences for each non-Virginia state bidder and apply like preferences to every Virginia bidder. Higher cost Virginia businesses will get more awards even when the lowest out of state vendor has no preference and agencies and institutions will pay more. The fiscal increase is indeterminate because it is unknown how often the current preference law is applied and it will vary depending on the bids received from vendors that reside in a state that has a percentage preference.

9. Specific agency or political subdivisions affected: All public bodies.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/25/05 / rtb

Document: (DPB F:RTB/FIS/HB2151.DOC)

cc: Secretary of Finance
Secretary of Administration