

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB526

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Marsh

3. Committee: General Laws and Technology

4. Title: Virginia Public Procurement Act; permissive contract provisions for localities; resident employment.

5. Summary: Authorizes any locality to include in its contracts a provision requiring the contractor to ensure that a specified percentage, not to exceed 20 percent, of the work under the contract be performed by residents of the locality.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: Procurement preferences can limit competition and result in the increased costs of goods and services. In addition, preference procurements can increase administrative processing time and delay procurement awards.

Although this legislation addresses only localities, the cost of state procurement could also increase if an out-of- state vendor who decides not to compete in a locality because of the preference also decides not to compete at the state level too.

9. Specific Agency or Political Subdivisions Affected: County, Cities and Towns.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/24/12

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