

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB79

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: Watkins

3. Committee: General Laws and Technology

4. Title: Public Procurement Act; bid match preference for State businesses.

5. Summary: Provides a bid match preference for Virginia businesses. Under the bill, a Virginia business has an opportunity to match the lowest bid of an out-of-state bidder if the bid of a Virginia business is within five percent or \$10,000 of the lowest bid of an out-of-state bidder, whichever is less. The bill also provides that to be deemed a resident of Virginia, a Virginia person, firm, or corporation must have paid unemployment taxes or income taxes in Virginia in addition to being organized pursuant to Virginia law or maintaining a principal place of business within Virginia.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: Establishment of procurement procedures allowing state agencies and institutions to match prices from an out-of-state bidder would create an in-state preference. In-state preferences could 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, resulting in increased resource costs for all public bodies falling under the Virginia Public Procurement Act.

9. Specific Agency or Political Subdivisions Affected: All state agencies and institutions subject to the Virginia Public Procurement Act.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/19/12

Document:

c: Secretary of Administration