

Department of Planning and Budget

2021 Fiscal Impact Statement

1. Bill Number: HB1811

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Helmer

3. Committee: Passed Both Houses

4. Title: Virginia Public Procurement Act; preference for energy-efficient and water-efficient goods.

5. Summary: Provides that in the course of procuring goods, if a state agency receives two or more bids for products that are Energy Star certified, meet Federal Energy Management Program (FEMP) designated efficiency requirements, appear on FEMP's Low Standby Power Product List, or are WaterSense certified, such public body may only select among those bids.

The bill also provides that in the course of procuring goods, if a local public body receives two or more bids for products that are Energy Star certified, meet Federal Energy Management Program (FEMP) designated efficiency requirements, appear on FEMP's Low Standby Power Product List, or are WaterSense certified, such local public body may only select among those bids unless, before selecting a different bid, the local public body provides a written statement that demonstrates the cost of the products that are Energy Star certified, meet FEMP-designated efficiency requirements, appear on FEMP's Low Standby Power Product List, or are WaterSense certified was unreasonable.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate, see Item 8.

8. Fiscal Implications: A state fiscal impact cannot be determined as it would depend on knowing which state public bodies are procuring such products, the number of such products procured, and the types of products (efficient or non-efficient) submitted by bidders. In general, energy-efficient and water-efficient products may have a higher upfront cost compared to products lacking those designations, which is generally offset by lower electric or water utility costs over the life of the product. Any such fiscal impact would be depend on the situation surrounding the individual procurement and is indeterminate at this time.

Under existing Department of General Service (DGS) procurement policy for non-information technology (IT) procurements, Executive branch agencies and institutions are required to "purchase or lease Energy Star or equivalent related appliances and equipment for all classifications for which an Energy Star or equivalent rating is available." Under existing Virginia Information Technologies Agency (VITA) procurement policy for IT procurements,

“IT suppliers should be encouraged to produce equipment that meets Energy Star specifications.” In addition to Energy Star certification, this legislation would add FEMP-designated efficiency requirements, appearance on FEMP's Low Standby Power Product List, and WaterSense certification to these procurement requirements.

- 9. Specific Agency or Political Subdivisions Affected:** This bill as written applies to all public bodies subject to the Virginia Public Procurement Act (VPPA). This bill does not apply to higher education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement (currently eleven Level III and Level II institutions). Additionally, this bill will not apply to local public bodies that have exempted themselves from the VPPA as authorized by Va. Code §2.2-4343 (9, 10, 11).

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: March 11, 2021
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