

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB341

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

2. Patron: Thomas

3. Committee: Committee Referral Pending

4. Title: Virginia Public Procurement Act; consideration of employment of older Virginia residents.

5. Summary: Allows public bodies to include as a factor that will be used in evaluating a Request for Proposal the proposer’s participation in programs that employ Virginia residents aged 55 or older. The bill also provides that in the case of a tie bid between two or more bidders-both of which are eligible for a preference as a bidder for goods produced in Virginia or goods, services, or construction provided by Virginia persons, firms, or corporations-an additional preference shall be given to any bidder that participates in such programs.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary—indeterminate, see item #8

8. Fiscal Implications: Generally, bills establishing procurement preference could impact the future pool of bidders, but those impacts on the pool of bidders are currently indeterminate. The future demand of procured goods and services among public bodies is also indeterminate.

Public bodies can already create evaluation criteria for requests for proposals and may include criteria for vendors who participate in these programs. The Department of General Services (DGS) indicates it is not possible to determine the potential fiscal impact related to applying the preference.

The bill also stipulates that in the case of a tie bid between two or more bidders, the bidder that participates in the employment programs will receive a preference in bid evaluation. DGS suggests that very few procurements result in a tie bid and are highly improbable. Given the limited number of the firms that participate in the programs listed in the bill, it is more unlikely that a tie bid will occur among those firms.

9. Specific Agency or Political Subdivisions Affected: This bill applies to all public bodies subject to the Virginia Public Procurement Act. This bill does not apply to higher education institutions operating under Management Agreements and Memoranda of Understanding (currently fourteen Level III and Level II institutions). Additionally, the bill will not apply to

local governments that have exempted themselves from the VPPA as authorized by V. Code §2.2-4343 (9, 10, 11).

10. Technical Amendment Necessary: No

11. Other Comments: None