

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB260-S2

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

2. **Patron:** DeSteph

3. **Committee:** General Laws and Technology

4. **Title:** Virginia Public Procurement Act; preference for products made or manufactured in Virginia.

5. **Summary:** The substitute bill provides that in the case of a tie bid for goods, preference shall first be given to goods produced in Virginia and second to goods produced in the United States. The bill also grants the next lowest responsive and responsible Virginia resident the option to price match the lowest responsive and responsible bid. The substitute additionally requires a reciprocal percentage preference from other states be granted to the lowest and second-lowest responsive and responsible bidders from Virginia, current VPPA language reads “allowed”. Currently, price match is “allowed” only when the lowest responsive and responsible bidder is from a state where that states laws allow a price match. The substitute also clarifies that any conflict of this section with federal law rendering the public body ineligible to receive federal funds shall be exempt from this section) in of § 2.2-4324.

6. **Budget Amendment Necessary:** No

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

8. **Fiscal Implications:** The bill expands the existing tie bid preference for Virginia-produced goods. If the first preference for Virginia-produced goods cannot be applied, then the preference goes to goods produced in the United States. The fiscal impact of this bill is indeterminate. Restrictions on available suppliers, generally, may impact the pool of bidders and may impact the price of goods procured.

Additionally, the bill permits the second-lowest responsive and responsible bidder from Virginia to match the price of the lowest responsive and responsible bid from a non-Virginia resident. This provision is not expected to increase price, as the Virginia resident is allowed to match the lowest bid price.

9. **Specific Agency or Political Subdivisions Affected:** Portions of this bill apply to all public bodies and other portions apply only to state 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 in the operational area of procurement (currently fourteen Level III and Level II institutions).

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None