

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB416

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: DeSteph

3. Committee: General Laws and Technology

4. Title: Virginia Public Procurement Act; purchase of personal protective equipment.

5. Summary: Requires a state agency, whenever purchasing personal protective equipment (PPE) for public use, to purchase such PPE from a Virginia-based company or manufacturer or a manufacturer that uses materials made in the United States. The bill provides that if a state agency is unable to purchase PPE from such company or manufacturer, it may purchase from another company or manufacturer, pending the results of independent laboratory testing of the PPE. Additionally, the bill directs the Secretary of Commerce and Trade to establish a work group to make recommendations to the General Assembly regarding products other than personal protective equipment that state agencies should purchase with the same requirements. The Secretary shall report the recommendations of the work group to the Chairs of the House Committee on General Laws and the Senate Committee on General Laws and Technology by September 1, 2022.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The impact of this bill is indeterminate. Based on the fiscal impact statement for a similar bill from the 2021 General Assembly Session, this bill establishes an in-state procurement preference for purchases of PPE, with purchases from other U.S.-based companies or manufacturers allowed if PPE from a Virginia-based entity is unavailable. Restrictions on available suppliers, generally, may impact the pool of bidders and may impact the price of goods procured. Additionally, the procurement laws of some states would allow reciprocal treatment of in-state preference to be imposed on Virginia businesses when competing for procurements in those states. If reciprocity is imposed on Virginia businesses by other states, it could affect out-of-state sales.

The bill directs the Secretary of Commerce and Trade to establish a work group to make recommendations and issue a report by September 1, 2022 regarding establishing Virginia-based or U.S.-based purchasing preferences for products other than PPE. The costs associated with this activity is currently indeterminate.

9. Specific Agency or Political Subdivisions Affected: This bill as written applies to all state agencies subject to the Virginia Public Procurement Act (VPPA). This bill does not apply to

high education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement (Level III and Level II institutions).

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: January 19, 2022

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