

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB1273H1

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

2. **Patron:** Krizek

3. **Committee:** Appropriations

4. **Title:** Virginia Public Procurement Act; competitive sealed bidding; required criteria in invitations to bid.

5. **Summary:** This bill, as substituted, amends the Virginia Public Procurement Act (VPPA) relating to competitive sealed bidding. First, the bill allows any locality to include criteria in a Invitation to Bid that will be used in determining whether a bidder is a responsible bidder. The bill also applies to state public bodies that are subject to the VPPA by requiring in each Invitation to Bid, except for transportation related construction, such criteria to include a history of (i) completion by the bidder and any potential subcontractors of specified safety training programs established by the U.S. Department of Labor, Occupational Safety and Health Administration; (ii) participation by the bidder and any potential subcontractors in any registered apprenticeship training programs approved by state agencies or the U.S. Department of Labor; and (iii) maintenance by the bidder and any potential subcontractors of records of compliance with applicable local, state, and federal laws. For non-transportation-related construction above \$250,000, such criteria shall also require at least 12.5 percent of total labor hours of any construction required with respect to such bid be performed by individuals registered with and enrolled in approved apprenticeship programs.

6. **Budget Amendment Necessary:** No

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

8. **Fiscal Implications:** The bill requires public bodies include criteria in every Invitation to Bid for non-transportation related construction over \$250,000 that requires 12.5% of total labor hours of any construction required by the bid to be performed by individuals in certain apprenticeship programs. This requirement could potentially affect the pool of bidders and bid price. As the number of contractors participating in these specific apprenticeship programs is unknown at the time, fiscal impact from the bill is indeterminate.

9. **Specific Agency or Political Subdivisions Affected:** This bill 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 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: As amended, this bill is similar to SB647.