



DEPARTMENT OF GENERAL SERVICES

Virginia Resident Preference Report

**TO GOVERNOR YOUNGKIN, THE GENERAL ASSEMBLY, CHAIR OF THE
HOUSE GENERAL LAWS COMMITTEE, AND THE SENATE GENERAL LAWS
AND TECHNOLOGY COMMITTEE**



**COMMONWEALTH OF VIRGINIA
RICHMOND
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INTRODUCTION / EXECUTIVE SUMMARY

SB260 was introduced and passed during the 2024 Legislative Session creating new preferences under the Virginia Public Procurement Act. Such preferences went into effect on July 1, 2024, and will expire July 1, 2027. This bill also mandated the Department of General Services to submit a report regarding the efficacy of the preferences and any retaliatory action taken by other states.

BACKGROUND

This bill updated the preference for tie bids allowing preference to first be given to goods produced in Virginia then given to goods produced in the United States. It also allows a new preference for the procurement of goods by manufacturers. When the lowest responsive and responsible bidder is not a resident of Virginia and the bid of any Virginia resident is within 10 percent of such bid, the lowest responsive and responsible bidder that is a Virginia resident shall have the option to match the price of the lowest responsive and responsible bidder. Furthermore, if the lowest responsive and responsible bidder is a resident of another state and such state allows a resident a percentage preference or price-matching preference for the procurement of goods, a like preference shall be given to the responsive and responsible bidders who are residents of Virginia. An eligible bidder that is a Virginia resident shall be granted the greater of either preference. Federally funded projects or procurements shall be exempt from these preferences when it conflicts with federal law and regulations and would render the agency or institution from receiving federal funds.

BODY OF THE REPORT/ REPORT PARAGRAPHS

The Department of General Services has fully implemented the provisions of the bill; however, because the preferences went into effect on July 1, 2024, the Department has not yet received a bid where such preferences would have been applicable. Accordingly, the Department has insufficient data to make a determination on the efficacy of the bill. Additionally, DGS is unaware of any retaliatory action taken by other states due to such preferences.

CONCLUSION

The Department of General Services has implemented the provisions of the bill; however, because the preferences went into effect on July 1, 2024, the Department has not yet received a bid where such preferences would have been applicable. The General Assembly, during the 2026 Regular Session of the General Assembly, may consider requiring the Department to collect information regarding the efficacy of the bill and provide an updated report to the General Assembly no later than the first day of the 2027 Regular Session of the General Assembly.

APPENDIXES

None.