

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Virginia IT Agency (VITA)
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	n/a
<b>VAC Chapter title(s)</b>	n/a
<b>Action title</b>	Small Purchase Policy Revision
<b>Date this document prepared</b>	September 25, 2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Amendment of Guidance Document

**Cost Benefit Analysis**

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

**Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><i>This Small Purchase Policy is one of the procurement policies promulgated by the Supply Chain Management division of VITA. It applies to executive branch agencies in their IT procurement and facilitates and supports procurements of \$200,000 or less.</i></p> <p>Direct Costs: N/A</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: Rewrite has no monetary impact, direct or indirect.</p> <p>Indirect Benefits: Rewrite has no monetary impact, direct or indirect.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b) \$6.6M annually
(3) Net Monetized Benefit	<i>No monetary impact.</i>	
(4) Other Costs & Benefits (Non-Monetized)	<p><i>This rewrite is designed to provide additional clarity for agencies' procurement staff. It does not reduce requirements but does make the document slightly shorter and is more usable and easy-to-understand. A clearer and more accessible document should result in increased knowledge for procurement professionals and enhance the ability of executive branch agencies to compete micro and small IT purchases.</i></p>	
(5) Information Sources	N/A	

**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><i>If there is no policy revision, agencies will likely continue with their current behavior.</i></p> <p>Direct Costs: N/A</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: N/A</p> <p>Indirect Benefits: N/A</p>	
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit	<i>Zero. If the current policy and behavior continues, there will be no monetary benefit.</i>	
(4) Other Costs & Benefits (Non-Monetized)	<i>None</i>	
(5) Information Sources		

**Table 1c: Costs and Benefits under Alternative Approach(es)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<i>One alternative, other than both the status quo and the revision, would be for VITA to have no small purchase policy at all – simply leaving all executive branch agencies to govern their own small purchases.</i>	
	Direct Costs: N/A	
	Indirect Costs: N/A	
	Direct Benefits: N/A	
	Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	<i>Having no small purchase policy would create inconsistency and confusion as agencies made different decisions and did not have central procurement guidance or direction.</i>	
(5) Information Sources		

**Impact on Local Partners**

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 2: Impact on Local Partners**

(1) Direct & Indirect Costs & Benefits (Monetized)	<i>No impact. VITA procurement policies like this one do not apply to local public bodies.</i>	
	Direct Costs: N/A	
	Indirect Costs: N/A	
	Direct Benefits: N/A	
	Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Assistance		
(5) Information Sources		

**Impacts on Families**

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 3: Impact on Families**

(1) Direct & Indirect Costs & Benefits (Monetized)	<i>No impact. VITA procurement policies do not apply to families.</i>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

**Impacts on Small Businesses**

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 4: Impact on Small Businesses**

(1) Direct & Indirect Costs & Benefits (Monetized)	<i>Purchases under this policy may involve micro or small businesses. As noted above, the revision is intended to produce greater clarity. There is no monetized cost or benefit.</i>	
	Direct Costs: N/A	
	Indirect Costs: N/A	
	Direct Benefits: N/A	
	Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)	<i>As noted above, the revision is intended to produce greater clarity. VITA hopes that a policy that is easier to read and apply will promote use of micro and small businesses.</i>	
(4) Alternatives		

(5) Information Sources	
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**Changes to Number of Regulatory Requirements**

**Table 5: Regulatory Reduction**

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

*Change in Regulatory Requirements*

<b>VAC Section(s) Involved</b>	<b>Initial Count</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Net Change</b>
N/A. This is a guidance document amendment.	Original (7/31/2023 baseline) requirements count: 9 discretionary	None	None	None

*Cost Reductions or Increases (if applicable)*

<b>VAC Section(s) Involved</b>	<b>Description of Regulatory Requirement</b>	<b>Initial Cost</b>	<b>New Cost</b>	<b>Overall Cost Savings/Increases</b>
N/A. This is a guidance document amendment.				N/A

*Other Decreases or Increases in Regulatory Stringency (if applicable)*

<b>VAC Section(s) Involved</b>	<b>Description of Regulatory Change</b>	<b>Overview of How It Reduces or Increases Regulatory Burden</b>

*Length of Guidance Documents (only applicable if guidance document is being revised)*

<b>Title of Guidance Document</b>	<b>Original Length</b>	<b>New Length</b>	<b>Net Change in Length</b>
Small Purchase Policy	4 pages	3 pages	-1 page