

Driving the Virginia Economy with Procurement

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Purpose of the presentation

- To help you understand the importance of local, state and federal procurement to the health of the Virginia economy
- To encourage you to consider all aspects of your buying decision including economic impact
- To introduce the Virginia Department of Business Assistance as a resource to your procurement programs

Economic Impact of Government Procurement

	Spend per Capita	% GSP
• Local-	\$4,493	8.14%
• State-	\$3,760	6.81%
• Federal-	\$15,200	29.62%
Total	\$23,453	44.57%

Source: www.usgovernmentspending.com

State impact -eVA

- 3,353,477 purchase orders processed on eVa to date
- \$28 billion spent on eVa to date
- 171 agencies participating
- 575 localities participating
- 50,070 eVA users (230k business establishment)
- Source-eVa homepage

Businesses tell us...

- Overall, Virginia businesses are only 'fairly' confident about the future
- 97.4% say *growing sales* is Critically Important or Important to the future of their company
- 39% said 'assistance winning state contracts' was most important to their future business growth
- 64.1% said the state should offer programs to help businesses with the procurement process

Source- VDBA August 2011 Business Survey

Conclusion

- Sales growth from public and private sources is the biggest factor in new job creation.
- Local, state and federal procurement has a huge financial impact on Virginia's economy and business community
- Government spending also contributes to the business community's sense of confidence about the future

Things to consider-Lowest price and.....

- Importance of the contract to the business
- Bidding smaller contracts so more businesses can participate (and survive)
- Consider new supply sources and thereby getting more companies involved in the process
- Impact in Virginia's economy (in state vs out of state)
- Ripple impact within a Virginia Community

Virginia Department of Business Assistance

- VDBA- to help Virginia businesses prosper
- VJIP- to ensure there is a plentiful and well trained workforce
- VSBFA- to provide credit to assist businesses with an appropriate capital structure
- BIS- to help businesses get started and grow

Virginia Jobs Investment Program

- New Jobs Program- 25 net new jobs within 12 months, \$1MM capital investment, min \$10 per hour
- Small Business Program- 5 net new jobs within 12 months, \$100K capital investment, min \$10 per hour
- Retraining Program- Manufacturing and distribution companies, 10 FTEs involved, \$500K capital investment, min \$10 per hour
- CAPA impact- VDBA can help train employees being hired as a result of new contracts

Virginia Small Business Financing Authority

- 6 different direct and indirect loan programs
- Economic Development Loan fund, Private Activity bonds, loan guaranty program, Capital Access program, Child Care Financing program, Minority loan program
- Generally, you access these programs through your local bank
- CAPA Impact- VDBA can fund expansion plans as a result of new contracts

Business Information Services

- The Growing Sales Seminar is a ½ day program to help businesses sell to the local, state and federal government.
- BIS personnel also offers one on one counseling sessions to businesses in markets statewide.

CAPA Impact- VDBA can train new suppliers on SWaM/eVA so you don't have to and help existing suppliers be more competitive

Resources and Handouts

- Guide to Doing Business in Virginia- p 23-24
- Selling to the Commonwealth brochure
- Growing Sales Seminar near you go to www.vastartup.org
- Virginia Business Information Center
1-866-248-8814

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