

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** HB165

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Albo

**3. Committee** General Laws

**4. Title** Consolidation of Contracts

**5. Summary/Purpose:**

Provides that to the maximum extent practicable, public bodies shall facilitate the maximum participation of small business concerns as prime contractors, subcontractors, and suppliers. Before proceeding with a procurement of goods, services, or construction that could lead to a contract containing consolidated procurement requirements (also known as contract bundling), a public body shall conduct market research to determine whether consolidation of the requirements is necessary and justified. For the purposes of the bill, consolidation of the requirements may be determined as being necessary and justified if, as compared to the benefits that would be derived from contracting to meet those requirements if not consolidated, the public body would derive from the consolidation measurably substantial benefits, including, but not limited to cost savings, quality improvement, reduction in acquisition cycle times, better terms and conditions, and any other benefit.

**6.** Fiscal impact cannot be determined.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** This proposal applies to all public bodies and would require procurement officers to conduct a market survey to determine if a consolidation of requirements is needed and justified by substantial quantifiable benefits and to include formal justification in the procurement file. This will add an additional administrative requirement. These administrative costs and the potential savings from this proposal cannot be determined.

**9. Specific agency or political subdivisions affected:** All public bodies, the VaPP spend management program in the Department of General Services

**10. Technical amendment necessary:** No

**11. Other comments:** None.

**Date:** 01/19/04 / amk

**Document:** G\ 04 FISs\HB165.DOC

cc: Secretary of Administration