

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number HB2924

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

2. Patron Morgan

3. Committee General Laws

4. Title Virginia Public Procurement Act; exemption: competitive sealed bidding and competitive negotiation.

5. Summary/Purpose: Broadens the current exemption for public bodies purchasing services if purchased through an association of which the public body is a member by eliminating the requirement that the services be for insurance or electric utilities. The bill also grants an exemption from competitive sealed bidding and competitive negotiation to public bodies for services if provided by such an association of which the public body is a member, provided the public body has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding and competitive negotiation are not fiscally advantageous to the public.

6. Fiscal Impact Estimates are: Indeterminate (see Item 8.)

7. Budget amendment necessary: No.

8. Fiscal implications: It is not possible to quantify the fiscal impact. The use of association contracts will likely result in administrative and cost savings to public bodies for purchases that the Commonwealth has not established contracts.

This bill could negatively impact the Commonwealth's leveraged buying VAPP program and other statewide contracts if public bodies purchase goods and services from association contracts that are already available from the Commonwealth's contracts. A loss of leveraged buying power could result in increased costs for all contract users. Non-technology and VAPP statewide leveraged contracts save the Commonwealth about \$86.5 million annually.

9. Specific agency or political subdivisions affected: All public bodies.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/28/05 / rtb

Document: (DPB F:RTB/FIS/HB2924)

cc: Secretary of Finance
Secretary of Administration