

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number SB234

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Ticer

3. Committee

4. Title Advantage Virginia Electronic Procurement Program.

5. Summary/Purpose:

Creates the Advantage Virginia Electronic Procurement (AVEP) Program and the AVEP Fund. The purpose of this legislation is to promote the economy of Virginia and assist small businesses.

The AVEP Program would make a one-time grant of \$5,000 to qualified small businesses located in the Commonwealth to be listed on the Federal Supply Schedule ("the Schedule"), The United States General Services Administration (GSA) maintains the Schedule, which consists of vendors. Any federal, state, or local government official may register with the GSA to conduct business with vendors listed on the Schedule. The vendors who are approved to be listed on the Schedule may be listed on the fedcenter.com website as well; however, to be listed on the website, the website operators charge a fee.

Assuming electronic procurement to be easier, faster, and less costly than other methods of purchase, businesses that are listed on the website possess a competitive advantage over those businesses that are not. The AVEP Program should help small Virginia businesses not listed on the website to obtain the same competitive advantage as businesses that are. The Innovative Technology Authority is to implement the AVEP Program and report back to the Joint Commission on Technology and Science. The bill has a sunset of July 1, 2002. This bill is a recommendation of the Joint Commission on Technology and Science.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02	\$99,731*	.5	<input checked="" type="checkbox"/> GF <input type="checkbox"/> NGF
2002-03			

*This figure is an amount estimated by the agency to be only the administrative cost portion for running the program. Total fiscal impact will depend upon what level of funding is made for grant purposes.

Breakout of administrative costs estimated by the Innovative Technology Authority:

salaries and benefits \$44,982
web site development \$15,000

marketing - advertising \$35,000

7. Budget amendment necessary: Yes, for Item 504, House Bill 1600. An appropriation will be needed for the Innovative Technology Authority to carry out the additional administrative activities this program will require. In addition, any amount the legislature decides to make available to the grant recipients which is not funded from gifts, grants, or donations from private sources will need to be appropriated from public funds.
8. Fiscal implications: At a minimum, this program will cost the Commonwealth \$100,000 in fiscal year 2002, as estimated by the agency responsible for administering the AVEP program. The total cost could be higher depending upon what grant monies the legislature wishes to make available for the grant recipients from public sources.
9. Specific agency or political subdivisions affected: Innovative Technology Authority
10. Technical amendment necessary: No.
11. Other comments: None.

Date: 01/08/01 mwg

Document: (F:\MWG\01 Bud Dev\FIS's\ITA\SB234.DOC)

cc: Secretary of Technology

PDF Created 1/9/2001 11:25:57 AM