

Department of General Services 2010 Fiscal Impact Statement

1. Bill Number: HB398

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Lohr

3. Committee: General Laws

4. Title: Purchase of Virginia-grown food products by state agencies and institutions and local school divisions.

5. Summary/Purpose: This bill provides for the Department of General Services/Division of Purchases and Supply (DGS/DPS) to establish procurement procedures to facilitate the purchase of Virginia-grown food products by state agencies and institutions and local public school divisions to the maximum extent possible. The bill also provides local school divisions an exemption from competition when procuring Virginia-grown food products for student consumption.

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

7. Budget amendment necessary: No

8. Fiscal implications: Establishment of procurement procedures requiring state agencies and institutions to purchase Virginia-grown food products would create an in-state preference. In-state preferences limit competition and may result in increased supply costs for agencies and school division customers. The Department of General Services will also incur expenditures to develop procurement procedures.

In-state preference for vendors may also result in decreased in tax revenue to the Commonwealth from out-of-state vendors.

9. Specific agency or political subdivisions affected: All executive branch agencies (excluding Level III institutions (VT, UVA, W&M, and VCU) and Level II (RU, VMI, JMU, GMU, and ODU) institutions operating under Management Agreements and Memorandums of Understanding), and local school divisions.

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/20/2010

cc: Secretary of Administration