

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: HB1135-H1

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

2. Patron: Kory

3. Committee: General Laws

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

5. Summary: Requires the Department of General Services' central electronic procurement system to include a link to the Virginia Department of Agriculture and Consumer Services Virginia Grown website. The bill also exempts the purchase of Virginia-grown food products for use by a public body where the annual cost of the product is not expected to exceed \$100,000 from the Virginia Public Procurement Act.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Fiscal impact is indeterminate. See Item 8, below.

8. Fiscal Implications: The fiscal impact of the bill is indeterminate. The bill would exempt purchases of Virginia-grown food products for use by a public body where the annual cost of the product is not expected to exceed \$100,000 from the Virginia Public Procurement Act (VPPA). In circumstances where this exemption would apply, public bodies would still have the option to utilize procurement procedures compliant with the VPPA. Therefore, any impact would depend on the purchasing decisions of public bodies for Virginia-grown food products qualifying for this exemption.

The bill also directs the Department of General Services (DGS) to include a link to the Virginia Department of Agriculture and Consumer Services Virginia Grown website on its central electronic procurement system to facilitate purchases of Virginia-grown food products. Any cost to meet this requirement would be absorbed by DGS within existing resources.

According to the Department of Education (DOE), federal laws allow schools and institutions receiving funds through the Child Nutrition Programs to apply a geographic preference when procuring locally grown or locally raised agricultural products. They also encourage schools to purchase locally grown and locally raised products "to the maximum extent practicable and appropriate." However, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2 Code of Federal Regulations, part 200.319.

2015, requires free and open competition when using federal funds for procurement. Any costs for DOE to draft and update procurement guidelines would be absorbed within existing resources.

- 9. Specific Agency or Political Subdivisions Affected:** The Department of General Services, Virginia Department of Agriculture and Consumer Services, Department of Education, and all public bodies subject to the Virginia Public Procurement Act.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.

Date: February 17, 2016
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