

## **Department of Planning and Budget**

### **2016 Fiscal Impact Statement**

**1. Bill Number:** HB823

<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:** LeMunyon

**3. Committee:** General Laws

**4. Title:** Contracting for items listed on commercials activities list.

**5. Summary:** Requires that governmental agencies post a notice when they intend to purchase services from public institutions of higher education over \$25,000 when the service they are purchasing is listed on the commercial activities list (CAL). The bill requires that agencies provide the opportunity for comment by or the submission of information from the private sector on each such intended purchase. The bill also applies to certain services purchased from the Department of General Services.

**6. Budget Amendment Necessary:** Indeterminate

**7. Fiscal Impact Estimates:** Fiscal impact estimates are not available

**8. Fiscal Implications:** Governmental agencies are currently required to post a notice when they intend to purchase services that cost over \$25,000 from another governmental agency if the service appears on the commercial activities list unless the services are: provided by central service state agencies; activities operated as an internal service fund of the Commonwealth; or purchases from public institutions of higher education. This bill adds certain services provided by the Department of General Services (DGS) to the provisions that are not exempt, even though, they are provided by "a central service state agency" or are "operated as an internal service fund." All governmental agencies that procure these services from DGS will be impacted by this bill: Statewide engineering and architectural services; Statewide building management; Parking facilities management; Statewide vehicle management services; Statewide laboratory services; State mail services; Statewide cooperative procurement and distribution services; Electronic procurement program commonly known as "eVA"; Statewide leasing and disposal services; Surplus property management; and Statewide graphic design services. The bill also adds purchases from public institutions of higher education to the list of services that must be posted if the purchase cost exceeds \$25,000 and the service is included on the commercial activities list. Consequently, all governmental agencies that make purchases in excess of \$25,000 from public institutions of higher education will also be impacted. The amount of the impact cannot be determined.

**9. Specific Agency or Political Subdivisions Affected:** The Department of General Services and all governmental agencies including local governments and public institutions of higher education.

**10. Technical Amendment Necessary:** no

**11. Other Comments:** none