



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 9, 2010

S. 2868
Federal Supply Schedules Usage Act of 2009

*As ordered reported by the House Committee on Oversight and Government Reform
on July 28, 2010*

S. 2868 would amend federal law to allow disaster relief organizations, as well as state and local governments, to use the federal supply schedules of the General Services Administration (GSA) to procure goods and services from private firms for disaster preparedness and response activities. Under current law, state and local governments may purchase such services through the federal supply schedules; the legislation would expand the purchasing program to include the American Red Cross and other disaster relief organizations.

CBO estimates that implementing the legislation would have no significant impact on the federal budget. Enacting the bill would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any net budgetary impact would not be significant in any year. Enacting the bill would not affect revenues.

Any purchases of such supplies and services would be an exchange between disaster relief organizations and commercial suppliers. However, GSA charges a 0.75 percent fee on all sales to recover the procurement and administrative costs of operating the program. Based on information from GSA regarding the current program and anticipated demand under the expanded program, CBO estimates that increasing the number of purchases would increase offsetting receipts by less than \$500,000 annually. Because such fees are spent by GSA without further appropriation, the net budgetary impact of the legislation would be negligible.

S. 2868 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On December 23, 2009, CBO transmitted a cost estimate for S. 2868, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on December 6, 2009. The two pieces of legislation are similar and CBO's estimate of their costs is the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.