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Federal Construction Procurement Reforms

Quality Construction Alliance Position:

QCA supports ongoing efforts by several committees to address various issues associated with direct Federal construction program procurement and contracting methods. QCA believes it is in the best interest of the government and taxpayers to introduce broader competition for Federal projects by top-quality firms. This can be accomplished by requiring sound and proven ethical procurement practices in agency administrative procedures.

Solution:

QCA fully supports five measures that will soon be introduced soon in the House Small Business Committee (and perhaps other Committees as well):

- 1) **Ban internet reverse auctions** – Support a bill to ban the use of internet reverse auctions for direct Federal prime contract selection. The House Small Business Contracting Subcommittee will introduce this long-overdue position in May. QCA fully supports this essential low-bid system reform, as recommended by the U.S Army Corps of Engineers.

No bill introduced yet; measure expected soon in the House Small Business Committee

- 2) **Reform the single-step design-build proposal process** – Support reform of negotiated contractor selection procedures to create a two-step design-build procurement process, reducing the scope of the initial submissions for design-build teams to make the short list for the second stage of negotiations. The current one-step submission process can be very costly to complete, and thereby discourages the entry of qualified firms in some cases. This reform would reduce the cost of the initial competition and thereby promote more open competition for those projects, to the ultimate benefit of taxpayers.

No bill introduced yet; measure expected in soon in the House Small Business Committee.



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- 3) **Open up lower-tier, small business contracting credits** – Support a bill to allow prime contractors to take credit in their prime contract small business subcontracting plans for second- or lower-tier small business contracts by lower-tier subcontractors. This will improve achievement of agency goals and allow contracting agencies more flexibility in overall project performance.

No bill introduced yet; measure expected in the House Small Business Committee.

- 4) **Surety bond reforms** - Support a bill that would require individual sureties to post U.S.-backed securities as assets behind non-corporate individual surety payment and performance bonds allowed on Federal projects. This will stem abuses where some non-corporate bonds were allowed without having real assets to secure the bonding protection for the agencies, subcontractors and suppliers.

Support H.R. 776, the Security in Bonding Act of 2013, introduced by Rep. Hanna (R-NY-22), Chair, Subcommittee on Contracting and Workforce, House Small Business Committee.

- 5) **Eliminate bid shopping and bid peddling on low-bid project selection procedures** – Support the long-overdue measure to reinstate major subcontractor bid listing on direct Federal low-bid prime contractor sealed bid procedures. By requiring the prime contractor to sign subcontracts with the named sub-bidders, the Federal agency will assure that the bid price isn't shopped and chopped after the award by the agency to the detriment of the project, the agency and its mission, and the taxpayers.

A bill will be introduced soon by New York Representative Carolyn Maloney (D-NY-12).

H.R. 776 Co-Sponsors

Graves, Sam [R-MO6]
Meng, Grace [D-NY6]



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