



THE AMERICAN INSTITUTE
OF ARCHITECTS



American
Subcontractors
Association, Inc.



Dear Chairmen Levin and McKeon & Ranking Members Inhofe and Smith,

We, the undersigned construction industry trade and professional organizations representing tens of thousands of firms and individuals engaged in architecture, engineering, surveying and mapping, prime contracting, subcontracting, specialty trade contracting, supplying, and surety bond producing, strongly urge you to include common sense, no-cost construction procurement reforms in the final National Defense Authorization Act for FY 2015 (NDAA) bill.

Specifically, we strongly encourage you to:

1. **Replace Section 805 of H.R. 4435 with language from S. 2652.** The language in S. 2652 corrects any DOD misinterpretation of Section 805 of H.R. 4435. S. 2652 would provide for more efficient government procurement of design-build construction services, more innovative proposals and more small business participation in competitions by addressing a loophole in Section 4105 of the NDAA for FY 1996 and, thereby, providing for congressional oversight.
2. **Include Section 815 of H.R. 4435 / Senate Amdt. 3850 to S. 2410.** This language would prohibit the federal government from procuring design and construction services small business contracts through reverse auctions. The U.S. Army Corps of Engineers has banned reverse auctions for design and construction services for several years, yet inexperienced construction agencies continue to misuse reverse auctions to the detriment of small businesses and taxpayers.
3. **Include Section 816 of H.R. 4435 / Senate Amdt. 3434 to S. 2410.** This language would (1) help prevent fraud by providing financial certainty to assets that support individual surety bonds and (2) help small businesses obtain more Small Business Administration loans by increasing the loan guarantee of the SBA's Surety Bond Guarantee Program. This would help protect the government from contractor default, small businesses from non-payment and encourage small business growth.

Again, we strongly urge you to include the provisions noted above in the final NDAA bill for this year. If you and your staff would like to further discuss these provisions, please contact either Colette Nelson at cnelson@asa-hq.com or Jimmy Christianson at christiansonj@agc.org.

Sincerely,

The Construction Industry Procurement Coalition

CC: House & Senate Armed Services Committees