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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

# H. R. 679

To amend title 41, United States Code, to improve the manner in which Federal contracts for design and construction services are awarded, to prohibit the use of reverse auctions for design and construction services procurements, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. MEADOWS introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To amend title 41, United States Code, to improve the manner in which Federal contracts for design and construction services are awarded, to prohibit the use of reverse auctions for design and construction services procurements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Construction Consensus Procurement Improvement Act  
6 of 2017”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
2 this Act is as follows:

- 3 Sec. 1. Short title; table of contents.
- 4 Sec. 2. Congressional findings.
- 5 Sec. 3. Design-build construction process improvement.
- 6 Sec. 4. Prohibition on the use of a reverse auction for the award of a contract  
7 for design and construction services.

### 3 **SEC. 2. CONGRESSIONAL FINDINGS.**

4 Congress makes the following findings:

5 (1) The acquisition procedures that are often  
6 used effectively to procure products and other forms  
7 of services are not always appropriate for the pro-  
8 curement of design and construction services.

9 (2) Federal procurement officials often adopt  
10 contracting techniques from the private sector and  
11 have used those techniques effectively to procure  
12 products and services.

13 (3) Design-build is a procurement technique  
14 Federal officials have adopted from the private sec-  
15 tor that has worked well for the procurement of de-  
16 sign and construction services.

17 (4) The current statutory framework for de-  
18 sign-build could benefit from legislative refinement.

19 (5) Reverse auctions are another procurement  
20 technique Federal officials have adopted from the  
21 private sector and used successfully to award con-  
22 tracts for the procurement of products that are com-  
23 mercially equivalent to commodities.

1           (6) Despite their success in other contexts, re-  
2           verse auctions are generally inappropriate for the  
3           procurement of design and construction services,  
4           given the unique nature of each such project.

5 **SEC. 3. DESIGN-BUILD CONSTRUCTION PROCESS IMPROVE-**  
6 **MENT.**

7           (a) CIVILIAN CONTRACTS.—

8           (1) IN GENERAL.—Section 3309(b) of title 41,  
9           United States Code, is amended to read as follows:

10          “(b) CRITERIA FOR USE.—

11           “(1) CONTRACTS WITH A VALUE OF AT LEAST  
12           \$3,000,000.—Two-phase selection procedures shall  
13           be used for entering into a contract for the design  
14           and construction of a public building, facility, or  
15           work if a contracting officer determines that the  
16           project has a value of \$3,000,000 or greater.

17           “(2) CONTRACTS WITH A VALUE LESS THAN  
18           \$3,000,000.—For any project that a contracting of-  
19           ficer determines has a value of less than \$3,000,000,  
20           the contracting officer shall make a determination  
21           on whether two-phase selection procedures are ap-  
22           propriate for use for entering into a contract for the  
23           design and construction of a public building, facility,  
24           or work if—

1           “(A) the contracting officer anticipates  
2           that 3 or more offers will be received for the  
3           contract;

4           “(B) design work must be performed be-  
5           fore an offeror can develop a price or cost pro-  
6           posal for the contract;

7           “(C) the offeror will incur a substantial  
8           amount of expense in preparing the offer; and

9           “(D) the contracting officer has considered  
10          information such as—

11                 “(i) the extent to which the project re-  
12                 quirements have been adequately defined;

13                 “(ii) the time constraints for delivery  
14                 of the project;

15                 “(iii) the capability and experience of  
16                 potential contractors;

17                 “(iv) the suitability of the project for  
18                 use of the two-phase selection procedures;

19                 “(v) the capability of the agency to  
20                 manage the two-phase selection process;  
21                 and

22                 “(vi) other criteria established by the  
23                 agency.”.

24           (2) ANNUAL REPORTS.—

1 (A) IN GENERAL.—Not later than Novem-  
2 ber 30 of 2018, 2019, 2020, 2021, and 2022,  
3 the head of each executive agency shall compile  
4 an annual report of each instance in which the  
5 agency awarded a design-build contract pursu-  
6 ant to section 3309 of title 41, United States  
7 Code, during the fiscal year ending in such cal-  
8 endar year, in which—

9 (i) more than 5 finalists were selected  
10 for phase-two requests for proposals; or

11 (ii) the contract or order was awarded  
12 without using two-phase selection proce-  
13 dures.

14 (B) PUBLIC AVAILABILITY.—The Director  
15 of the Office of Management and Budget shall  
16 facilitate public access to the reports, including  
17 by posting them on a publicly available Internet  
18 website. A notice of the availability of each re-  
19 port shall be published in the Federal Register.

20 (b) GAO REPORTS.—Not later than 270 days after  
21 the deadline for each annual report under subsection  
22 (a)(2)(A), the Comptroller General of the United States  
23 shall issue a report analyzing the compliance of each exec-  
24 utive agency with the requirements of section 3309 of title  
25 41, United States Code, as added by subsection (a)(1).

1 **SEC. 4. PROHIBITION ON THE USE OF A REVERSE AUCTION**  
2 **FOR THE AWARD OF A CONTRACT FOR DE-**  
3 **SIGN AND CONSTRUCTION SERVICES.**

4 (a) FINDING.—Congress finds that, in contrast to a  
5 traditional auction in which the buyers bid up the price,  
6 sellers bid down the price in a reverse auction.

7 (b) PROHIBITION.—Not later than 180 days after the  
8 date of the enactment of this Act, the Federal Acquisition  
9 Regulation shall be amended to prohibit the use of reverse  
10 auctions as part of the two-phase selection procedures for  
11 awarding contracts for design and construction services.

12 (c) DEFINITIONS.—For purposes of this section—

13 (1) the term “design and construction services”  
14 means—

15 (A) site planning and landscape design;

16 (B) architectural and engineering services  
17 (as defined in section 1102 of title 40, United  
18 States Code);

19 (C) interior design;

20 (D) performance of substantial construc-  
21 tion work for facility, infrastructure, and envi-  
22 ronmental restoration projects;

23 (E) delivery and supply of construction  
24 materials to construction sites; or

25 (F) construction or substantial alteration  
26 of public buildings or public works; and

1           (2) the term “reverse auction” means, with re-  
2           spect to any procurement by an executive agency—

3                   (A) a real-time auction conducted through  
4                   an electronic medium among 2 or more offerors  
5                   who compete by submitting bids for a supply or  
6                   service contract, or a delivery order, task order,  
7                   or purchase order under the contract, with the  
8                   ability to submit revised lower bids at any time  
9                   before the closing of the auction; and

10                   (B) the award of the contract, delivery  
11                   order, task order, or purchase order to the of-  
12                   feror, in whole or in part, based on the price  
13                   obtained through the auction process.