

Congress of the United States

House of Representatives

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Opening Statement Ranking Member Elijah E. Cummings

H.R. 5199, The Consensus Contracting Procurement Improvement Act

May 17, 2016

Mr. Chairman, I share the concerns that have been raised about federal construction contracting, and I believe this bill is a good-faith attempt to address those concerns.

The federal government spent about \$32 billion on contracts for construction and architectural and engineering services in the last fiscal year.

To procure these services, federal agencies can use a so-called “design-build” contract in which design and construction services are combined into a single contract with one company.

A frequently used technique for selecting a source for this type of contract is the two-phase design build contract.

Under step one, companies are required to submit information related to experience and past performance.

Based on that information, the agency then selects a limited number of most qualified bidders—generally three to five—to advance to phase two.

The selected bidders then submit more detailed price and technical proposals for evaluation, which often can be quite expensive and time-consuming.

Due to the nature of this process, often only large companies can compete for these contracts.

Smaller firms face a dilemma.

They must decide whether to spend significant time, effort, and resources to compete for a project they may have little chance of winning or refrain from competing at all.

This bill would also prohibit so-called reverse auctions when contracting for construction services.

While reverse auctions are a valuable tool when purchasing commodities, asking companies to bid progressively lower for construction contracts could raise different challenges.

Mr. Chairman, I believe that we need to do all we can in an effort to make the procurement process as fair and affordable as possible, and this legislation is a step in the right direction.

I yield back the balance of my time.

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