



November 29, 2022

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction throughout the United States. **On behalf of our membership, I again express enthusiastic support for the bipartisan Stauber (R-MN-8) amendment, House Section 870, offered to the FY 2023 NDAA (S. 4543/H.R. 7900).** The important amendment would ensure small business construction contractors receive timely payment for change orders on federal construction project. Construction firms of all sizes, but especially small businesses, have had to weather the effects of the pandemic and soaring construction materials costs. This commonsense and bipartisan section will help ensure that our nation's small business construction contractors do not suffer financial ruin waiting to be paid for work the federal government ordered them to perform.

Change order reform has enjoyed growing business and bipartisan support in Congress, would make long overdue reforms advocated by small business federal contractors to resolve change order payment disputes more quickly and fairly. We strongly agree with the language and intent of the sponsors in introducing change order reform in **House Section 870**. This vitally important legislation that would allow contractors to submit a request for equitable adjustment (REA) or project contract fee adjustment to an agency that had approved a performed change order to a project's original design or scope. **The amendment, if passed,** would ensure small business federal contractors get paid sooner for completed change order as directed by agency officials. Once the agency receives the REA, it must pay 50% of the billed change order work amount in a timely manner to offset extra costs. While this legislation is not the entire solution to the millions of dollars in change order inequities SMACNA contractors face every year, it is a very significant first step most worthy of passage.

SMACNA's membership includes thousands of firms specializing in public work projects involving energy saving performance contracting, facility energy management and residential, commercial, public, and industrial energy system service, construction, and efficient retrofits. Based upon our extensive public market contracting experience with change orders, we endorse and strongly support **House Section 870 to the FY NDAA legislation (S. 4543 / H.R. 7900)** now pending action in Congress.

Sincerely,

Stanley E. Kolbe, Jr.
Executive Director, Legislative and Political Affairs



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