

healthcare information.

H.R. 3170, would add to this list cybersecurity planning assistance.

I ask my colleagues to join me in supporting this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 3170.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### CHANGE ORDER TRANSPARENCY FOR FEDERAL CONTRACTORS ACT

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4754) to amend the Small Business Act to provide prospective construction contractors with information about an agency's policies on the administration of change orders to allow such contractors to make informed business decisions regarding the pricing of bids or proposals, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4754

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "Change Order Transparency for Federal Contractors Act".

##### SEC. 2. CONSTRUCTION CONTRACT ADMINISTRATION.

Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following new subsection:

“(w) SOLICITATION NOTICE REGARDING ADMINISTRATION OF CHANGE ORDERS FOR CONSTRUCTION.—

“(1) IN GENERAL.—With respect to any solicitation for the award of a contract for construction anticipated to be awarded to a small business concern, the agency administering such contract shall provide a notice along with the solicitation to prospective bidders and offerors that includes—

“(A) information about the agency's policies or practices in complying with the requirements of the Federal Acquisition Regulation relating to the timely definitization of requests for an equitable adjustment; and

“(B) information about the agency's past performance in definitizing requests for equitable adjustments in accordance with paragraph (2).

“(2) REQUIREMENTS FOR AGENCIES.—An agency shall provide the past performance information described under paragraph (1)(B) as follows:

“(A) For the 3-year period preceding the issuance of the notice, to the extent such information is available.

“(B) With respect to an agency that, on the date of the enactment of this subsection, has not compiled the information described under paragraph (1)(B)—

“(i) beginning 1 year after the date of the enactment of this subsection, for the 1-year period preceding the issuance of the notice;

“(ii) beginning 2 years after the date of the enactment of this subsection, for the 2-year period preceding the issuance of the notice; and

“(iii) beginning 3 years after the date of the enactment of this subsection and each year thereafter, for the 3-year period preceding the issuance of the notice.

“(3) FORMAT OF PAST PERFORMANCE INFORMATION.—In the notice required under paragraph (1), the agency shall ensure that the past performance information described under paragraph (1)(B) is set forth separately for each definitization action that was completed during the following periods:

“(A) Not more than 30 days after receipt of a request for an equitable adjustment.

“(B) Not more than 60 days after receipt of a request for an equitable adjustment.

“(C) Not more than 90 days after receipt of a request for an equitable adjustment.

“(D) Not more than 180 days after receipt of a request for an equitable adjustment.

“(E) More than 365 days after receipt of a request for an equitable adjustment.

“(F) After the completion of the performance of the contract through a contract modification addressing all undefinitized requests for an equitable adjustment received during the term of the contract.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

##### GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

I thank Mr. BACON for introducing this good government legislation. It is a protransparency bill, and it addresses an often overlooked problem facing small Federal construction contractors. He has been a leader on this issue, and we appreciate that very much because it is an important bill.

Our Federal Government spends billions of dollars on construction annually, an industry that is critical to rebuilding our Nation's aging infrastructure. Small businesses are the lifeblood of construction, performing in various roles across the entire supply chain.

Unfortunately, no construction project is immune to change. Contract modifications or change orders are prevalent in construction contracts—in fact, in virtually all construction contracts. The issue arises when the Federal agency delays executing a change order or issuing payment for the work completed. This leaves the small contractor responsible for financing the work out-of-pocket while also paying for overhead costs.

Extended delays in payment can result in severe financial consequences, sometimes including bankruptcy for small contractors. Agencies currently do not publish information regarding their contract modification processes

or payment records, leaving contractors basically in the dark.

Without this information, small prime contractors and subcontractors take an enormous risk every time they submit an offer with an agency that may be acting in less than good faith. Furthermore, small contractors are often unable to develop accurate bid prices if they choose to risk working with the agency.

To offset the risk of delayed or non-payment, contractors may inflate the cost of their bids, passing on these costs to the taxpayer. Due to the lack of transparency promoting a high-risk, high-stakes environment, working with the Federal Government becomes less appealing. Small contractors are leaving the marketplace in favor of private sector projects, which reduces competition.

This bill, Mr. BACON's bill, takes a critical step forward by requiring the contracting agency to disclose, in their solicitations, the details of their change order procedures, as well as a historical record showing whether change orders are resolved in a timely manner.

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Contractors can use this information to decide, first and foremost, if they want to bid; and if so, they can formulate more realistic cost estimates and better prepare for delays in payment.

This bill, Mr. BACON's bill, should also encourage agencies to improve their own internal change order processes, making the Federal construction marketplace attractive again. Ultimately, this legislation will result in expanding the industrial base, improving transparency and government accountability, and ensuring that high-quality structures are built at a reasonable cost.

Mr. Speaker, I urge my colleagues to support this bipartisan legislation, and I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4754, the Change Order Transparency for Federal Contractors Act.

As this body seeks ways to foster small business growth and expansion, we must always carefully consider what is being done to maximize entrepreneurs' participation in the Federal marketplace.

As we all know, when small companies are awarded Federal contracts, the result is a win-win. Small businesses provide quality goods and services at affordable prices, meaning a better deal for the government and the taxpayer. At the same time, it can mean significant growth opportunity for small businesses and even the need for new employees.

Yet one longstanding barrier remains to small business participation in the Federal marketplace. The practice of contract modifications drastically delays the payment to contractors

while increasing the risk they take on, and processing change orders slows down other parts of the project, jeopardizing the ability of contractors to meet their obligations.

All of this results in significant financial burdens on contractors, often ending in bankruptcy. This is particularly true when liquidity is slim and the burden of insurance and licensures is high.

H.R. 4754 provides much-needed certainty to prospective Federal construction contractors and subcontractors so they can appropriately plan their operations before submitting their bid for Federal work. This level of transparency is vital to securing the survival of small construction contractors.

Mr. Speaker, I urge all of the Members to support this legislation, and I reserve the balance of my time.

Mr. CHABOT. Mr. Speaker, before I yield to the principal sponsor of this legislation, Mr. BACON, I would like to thank my colleague STEVE KNIGHT from California for working on this as well; and also AL LAWSON from Florida, and also STEPHANIE MURPHY from Florida. So we have two Republicans and two Democrats again working together on this on behalf of small businesses all across the country, and I want to thank all four of those Members for their leadership on this on both sides of the aisle.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BACON).

Mr. BACON. Mr. Speaker, I thank Chairman CHABOT for his leadership for the part of our country that is the engine of our economy, small businesses, of which 47 percent of our American workers are a part. So we appreciate his leadership.

I also want to thank the ranking member for her support of this bill. I appreciate the bipartisan effort to get this bill done. In fact, they both summarized the benefits of this bill very well.

Mr. Speaker, I urge my colleagues to support H.R. 4754, the Change Order Transparency for Federal Contractors Act.

This bill is a commonsense, preventative measure designed to protect small businesses from loss by providing them with critical information up front, prior to submitting a bid on a Federal construction project. Ultimately, and this is the bottom line, this legislation is about the Federal Government paying its bills on time.

Currently, small businesses are flying blind. Before they bid, they have no knowledge of an agency's change order process or history of payment. Construction is an inherently complex industry that inevitably requires changes to the original plan. Construction contractors must deal with this inevitability, but without knowledge of their customer's business practices, they cannot formulate accurate offers or sufficiently plan their operations

prior to bidding. As a result, they may unknowingly place their business in jeopardy by working with an agency with a poor track record of timely payment.

This is not a hypothetical problem. In our committee, we have heard businesses over and over again go through this problem. We have to address it. Actual businesses should not have to worry about being paid by the Federal Government on time.

While large contractors may have the resources and capital to absorb some of the loss, small businesses struggle to stay afloat as they wait for payment. In addition to financing the cost of the changed work, small businesses are forced to pay their own bills while waiting for the agency to act. This includes payroll, material costs, and even taxes. This problem is compounded and made even worse for small subcontractors, who are often the last in line to receive payment.

H.R. 4754 will provide prospective Federal construction contractors and subcontractors with the information they need prior to submitting a bid. Agencies would be required to publish, as part of their solicitation, detailed information about their change order processes and timely payment data. This information could preserve the role of small contractors as part of our industrial base by making Federal contracts more attractive to small businesses and make the process more competitive. A more competitive bidding process for Federal contractors would benefit both small businesses and taxpayers.

Mr. Speaker, I urge my colleagues to support this commonsense legislation.

Ms. VELÁZQUEZ. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. LAWSON), who is the lead cosponsor of the bill.

Mr. LAWSON of Florida. Mr. Speaker, I rise in support of H.R. 4754, the Change Order Transparency for Federal Contractors Act. This is an important piece of legislation that guarantees that small businesses have the necessary information regarding change order policies from Federal agencies.

The work of the Federal Government relies heavily on the support of our Nation's small businesses. For everything from construction of important military infrastructure to guaranteeing the proper design for Federal facilities, small businesses are at the center of infrastructure for the Federal workplace.

When taking on Federal contracts, small businesses are also taking a great risk. With Federal funds not always guaranteed in a timely fashion, change orders make the work that small businesses perform for the Federal Government complicated and unpredictable.

H.R. 4754 requires agencies to outline in a clear and defined manner the policies they have regarding change orders. This will make it easier for small businesses to compete for and understand the contracts which they are awarded.

It is vital for small-business owners to not only get a seat at the table, but to also have the same vantage point when competing for Federal contracts. This legislation will alleviate red tape and open more doors for opportunity.

Mr. Speaker, I am proud to work with my colleague DON BACON on this bipartisan piece of legislation, and I encourage my colleagues to support this bill.

Mr. CHABOT. Mr. Speaker, I have no further speakers on the bill at this time, so I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself the balance of my time.

In closing, it is obvious that we must take this historic step in providing transparency in the contract modification process. As we contemplate ways to bolster our infrastructure with the goal of employing millions, H.R. 4754 provides certainty to the many small firms potentially involved in that process.

By requiring Federal agencies to prospectively notify contractors of the agency processes they would be subject to if awarded a contract, the Federal marketplace is once again attainable to small construction contractors.

It is critical that this Congress work to remove barriers preventing small firms from successfully performing Federal work and getting paid for all of the work they perform.

Mr. Speaker, I urge Members to support this bill, and I yield back the balance of my time.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

In closing, this legislation provides a level of certainty for small businesses who contract with the Federal Government. It is a commonsense, bipartisan bill that benefits small firms and ought to improve efficiency within the Federal contracting arena.

Mr. Speaker, I again thank Ms. VELÁZQUEZ for her work in a bipartisan manner on this legislation.

Mr. Speaker, I urge my colleagues to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MITCHELL). The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 4754.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### WOMEN'S BUSINESS CENTERS IMPROVEMENTS ACT OF 2018

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1680) to amend the Small Business Act to improve the women's business center program, and for other purposes, as amended.

The Clerk read the title of the bill.