

May 7, 2013

The Honorable Howard McKeon
Chairman
Armed Services Committee
2310 Rayburn House Office
Washington, D.C. 20515

The Honorable Adam Smith
Ranking Member
Armed Services Committee
2264 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman McKeon and Ranking Member Smith:

Thank you for your leadership on the 2015 National Defense Authorization Act (NDAA), which is integral to keeping America safe and secure. The undersigned associations urge you to include H.R. 2750, The Design-Build Efficiency and Jobs Act of 2013, in the 2015 NDAA.

Design-build is a type of design and construction process where architects, engineers, constructors, and sub-contractors team together to submit bids for building projects. The cost of competing for these contracts is extremely high. Industry reports that in recent years the average number of short-listed firms for federal design-build projects has grown. Industry best practice is to have between three and five firms on the short list. Now there are reports of as many as 10 or more teams on a short-list. When facing a choice of spending a quarter of a million dollars with only a 10-percent chance of winning, many teams choose to sit out the process, depriving the federal government of talent and reducing competition overall.

Moreover, there is a negative effect on the agencies that have more than five finalists. An increased number of finalists drain resources from agency contracting officers who need to review the finalists' bids and increase the time it takes to make a final selection. At a time when federal agencies are facing severe budget cutbacks, policymakers need to ensure that every taxpayer dollar is spent wisely. While competition for manufactured goods can help to drive down the price, the lowest cost option does not yield the best building for long-term energy efficiency savings or even long-term use.

Design-build was first introduced to the Federal market through the 1998 NDAA; therefore it makes sense to make common-sense reforms to it through this year's bill. Again, we urge your committee to add H.R. 2750 to the NDAA to make design and construction more efficient and cost-effective for the federal government.

Should you have any questions, please contact Jessica Salmoiraghi at (202) 626-7398 or jessicasalmoiraghi@aia.org.

Sincerely,

The American Institute of Architects
The American Subcontractors Association
The Associated General Contractors of America, Inc.

cc: House Armed Services Committee Members