

AIA GOVERNMENT RELATIONS

2014 August Recess | Talking Points for Meetings with Members of Congress

Congress has the opportunity to help architects get back to work – if they put partisanship aside and work together.

INTRODUCTION

- For more than 150 years the AIA has served as the voice of America's architecture profession. Today, AIA members work across America to advance policies that grow the economy and spearhead the next generation of high performing buildings.
 - Architecture is the leading edge of a design and construction industry that accounts for one in nine dollars of Gross Domestic Product.
 - Every \$1 million invested in building design and construction yields 28.5 full-time jobs. When a client hires an architect, 30 additional jobs are created.
 - Backed by more than 80,000 professionals who are job catalysts in every community, the AIA urges Congress to put partisanship aside to work together to build our nation's future.
- ### ISSUE 1: Extend Important Tax Incentives for Design.
- KEY MESSAGE: In order to encourage new construction and renovations, and support small businesses that do this work, Congress should extend and make modest improvements to the Energy-Efficient Commercial Building Tax Deduction (179D).
- Buildings account for more than 70 percent of electricity consumption in the U.S. Architects have the design skills needed to make them more energy efficient and save money for owners.
 - The Energy Efficient Commercial Building Tax Deduction (179D) provides building owners up to a \$1.80 per square foot for energy efficient improvements. It also helps federal, state, and local governments finance energy improvements that reduce energy costs to taxpayers.
 - The Energy Efficient Commercial Building Tax Deduction has been a useful financing tool in the market. But it expired at the end of 2013.
 - We recognize that tax reform could bring about major changes in all tax incentives. But since tax reform will not be completed by the end of 2014, failing to extend 179D will leave the design and construction industry without any federal incentives for energy efficient design.
 - A number of Senators and House members, led by Sen. Ben Cardin (D-MD) and Rep. Earl Blumenauer (D-OR), are working on legislation to extend and improve 179D. We urge you to work with them to extend 179D this year.

ISSUE 2: Improve Government Procurement to Help the Economy.

KEY MESSAGE: Sharp cuts to design and construction budgets make it more important than ever that procurement laws ensure design firms have fair access to the federal marketplace.

- Less work means more competition for fewer jobs – and the cost of competing is rising. In particular, the median cost of for an architecture firm to participate in a design-build competition is \$260,000 and that cost is not often reimbursed. As a result, many firms are not taking part, depriving the government of good talent.
- In recent years, federal agencies are shortlisting larger numbers of teams in the second stage of design-build competitions. We now have to compete with 10, and in some cases, more teams in the second stage. This means the odds of winning have gone from one in three or one in five to one in ten, or more. Combined with the high cost of the second stage, many firms are finding that it is not a good business proposition.
- This affects not just firms, but causes agency personnel to spend more time and resources reviewing submissions, costing taxpayers money.
- House Small Business Committee Chairman Sam Graves (R-MO) has introduced H.R. 2750, the Design-Build Efficiency and Jobs Act of 2013. This bill would make it harder for federal agencies to shortlist more than five teams in the second round of a design-build competition.
- The bill has no impact on the budget deficit, and in fact will likely save money by reducing the amount of work contracting officers have to do to select a team in a design-build project.
- This bill does NOT reduce competition; an unlimited number of teams can continue to submit qualifications in the first round. The bill simply ensures that agencies do not force more and more teams to risk large amounts of money in the second round.
- H.R. 2750 was included in the National Defense Authorization Act that passed the House in the spring. We urge you to support H.R. 2750 so that it can be enacted this year.

CONCLUSION

- I would like to invite you to visit one of our projects or our office back home to see how architects in your state/district are working to rebuild our country.
- Can you tell us which staff member in your district/state office would be a good point of contact for events?
- Please call on us when you have questions or policy ideas on which you are looking for feedback. Thank you for your time and willingness to listen.