



Women Construction Owners & Executives, USA

June 14, 2019

Chair Jared Golden  
Small Business Subcommittee on  
Contracting & Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

Ranking Member Pete Stauber  
Small Business Subcommittee on  
Contracting & Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

**H.R. 2344, the Small Business Payment for Performance Act of 2019**

Dear Chairman Golden and Ranking Member Stauber:

On behalf of Women Construction Owners and Executives (WCOE), we write to urge expeditious committee action on **H.R. 2344, the Small Business Payment for Performance Act of 2019**, bipartisan legislation introduced by Representative Marc Veasey (D-TX) and cosponsored by Rep. Stauber (R-MN). H.R. 2344 would make long overdue reforms to the payment process for change orders on federal government construction projects. WCOE is a national organization that represents women in the construction industry across the United States.

Change orders are common on construction projects. Unforeseen circumstances or complications regularly require changes to the original scope of work. Contractors on federal construction work accommodate contracting officers and respond efficiently and effectively to change orders to help avoid delays in project completion. A change order is clearly defined as a written order, agreed on by the owner, contractor and designer, authorizing changes in the scope of work. However, there is no clear standard for administration of payment after the work is completed.

H.R. 2344 would help ensure small business federal contractors get paid promptly for completed change orders. The bill would allow contractors to submit a request for equitable adjustment (REA) - or an increase in fee - to the agency. The contractor may then bill the agency for any actual change order work completed while the REA is pending. 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, it would be a significant improvement.

Access to capital remains one of the most limiting factors to women-owned businesses in the construction industry. It is, therefore, especially critical for women-owned business to be paid promptly on completion of work in both the public and private sector.

[www.wcoeusa.org](http://www.wcoeusa.org)

*Dana Thompson  
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As a group focused on helping women-owned businesses — and women executives — succeed in the construction industry, we urge prompt action on H.R. 2344.

Sincerely,

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