



March 24, 2015

The Honorable Steve Chabot
Chairman, House Committee on Small Business
2360 Rayburn House Office Building
Washington, DC 20515

RE: NECA Supports the Small Contractors Improve Competition Act of 2015 (SCICA)

Dear Chairman Chabot,

The National Electrical Contractors Association (NECA) is in full support of the Small Contractors Improve Competition Act of 2015 (SCICA). This legislation would address significant problems small businesses, like the vast majority of NECA contractors face while working in the Federal construction market. We are especially pleased the legislation addresses a long-standing issue of concern to our members: the role reverse auctions play in the procurement of federal construction contracts.

Most significantly, the legislation would at long last prohibit utilization of reverse auctions for the procurement of construction contracts. Reverse auctions rely solely on driving the price of a good or service to an absolute minimum and awarding the contract to the lowest bidder, reversing years of progress in “best value” contracting. This deprives the government value by creating cost-value disparity in the final bid. Relying solely on price, which is the purpose of the reverse auction, requires cutting costs in the areas of materials and/or labor, which is significant in determining a structure’s overall quality and value. Lastly, reverse auctions deprive taxpayers of the full benefits of fair competition, quality construction and consideration of life-cycle costs.

Ending this destructive tool for the procurement of construction services will best serve the federal construction community, the federal government, and the American taxpayer.

We fully support passage of this sorely needed legislation and urge the Committee to take swift action on moving this legislation forward. Please do not hesitate to contact me at 301/215-4522 or at mgiamberardino@necanet.org if you or your staff have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Marco A. Giamberardino". The signature is fluid and cursive, with a prominent initial "M".

Marco A. Giamberardino
Executive Director, Government Affairs