

116TH CONGRESS
2D SESSION

H. R. 7320

To amend the Small Business Act to require equitable adjustments to certain construction contracts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2020

Mr. STAUBER (for himself and Mr. GOLDEN) introduced the following bill;
which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to require equitable adjustments to certain construction contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EQUITABLE ADJUSTMENTS TO CERTAIN CON-**
4 **STRUCTION CONTRACTS.**

5 (a) IN GENERAL.—The Small Business Act (15
6 U.S.C. 631 et seq.) is amended by inserting after section
7 15 the following new section:

1 **“SEC. 15a. EQUITABLE ADJUSTMENTS TO CONSTRUCTION**
2 **CONTRACTS.**

3 “(a) REQUEST FOR AN EQUITABLE ADJUSTMENT.—

4 A small business concern performing a construction con-
5 tract that was awarded by an agency may submit a re-
6 quest for an equitable adjustment to the contracting offi-
7 cer of such agency if the contracting officer directs a
8 change in the work within the general scope of the con-
9 tract without the agreement of the small business concern.

10 Such request shall—

11 “(1) be timely made pursuant to the terms of
12 the contract; and

13 “(2) comply with Federal regulations regarding
14 equitable adjustments, including specifying addi-
15 tional costs resulting from such change in the work
16 within the general scope of the contract.

17 “(b) AMOUNT.—Upon receipt of a request for equi-
18 table adjustment under subsection (a), the agency shall
19 provide to the small business concern an interim partial
20 payment in an amount that is at least 50 percent of the
21 costs identified in the request for equitable adjustment
22 under subsection (a)(2).

23 “(c) LIMITATION.—Any interim partial payment
24 made under this section shall not be deemed to be an ac-
25 tion to definitize the request for an equitable adjustment.

1 “(d) FLOW-DOWN OF INTERIM PARTIAL PAYMENT
2 AMOUNTS.—A small business concern that requests an eq-
3 uitable adjustment under this section shall pay to a first
4 tier subcontractor or supplier the portion of the interim
5 partial payment received that is attributable to the in-
6 creased costs of performance incurred by the first tier sub-
7 contractor or supplier due to the change in the work with-
8 in the general scope of the contract. A subcontractor or
9 supplier at any tier that receives a portion of an interim
10 partial payment under this section shall pay its subcon-
11 tractor or supplier the appropriate portion of such pay-
12 ment.”.

13 (b) IMPLEMENTATION.—The Administrator of the
14 Small Business Administration shall implement the re-
15 quirements of this section not later than the first day of
16 the first full fiscal year beginning after the date of the
17 enactment of this Act.

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