



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 23, 2014

H.R. 2750 **Design-Build Efficiency and Jobs Act of 2014**

*As ordered reported by the House Committee on Oversight and Government Reform
on May 21, 2014*

H.R. 2750 would amend federal law to modify the federal government's procedures for awarding design and construction contracts for federal facilities. The legislation would require contracting officers to provide written justification if they decide to allow more than five finalists into the bidding process for federal construction projects. H.R. 2750 also would require agencies to use a two-phase selection process. In phase one, firms would provide basic information on their experience and past performance; agencies then would select a few firms and invite them to submit more detailed proposals for evaluation for any contract that has a value greater than \$1.5 million.

CBO estimates that implementing H.R. 2750 would have no significant net impact on the budget over the 2015-2019 period. CBO reviewed information on the process of awarding construction contracts by the Army Corps of Engineers and the General Services Administration. In general, those offices often use a two-phase process to select firms for construction projects. Under the bill, CBO expects that for projects that are not currently using this two-phase process, there would be some additional administrative costs for agencies; however, agencies also would spend less to analyze fewer construction bids. Consequently, CBO estimates that implementing H.R. 2750 would not require agencies to make a significant change in their typical contracting process and thus would not have a significant net effect on the federal budget.

Enacting the bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net change in spending by those agencies would be negligible. Enacting the bill would not affect revenues.

H.R. 2750 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.