



SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

July 22, 2025

Re: Please cosponsor The Small Business Payment for Performance Act (Rep. Stauber)

The Honorable Pete Stauber
United States House of Representatives
Washington, DC 20515

Dear Representative Stauber:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction throughout the United States. **On behalf of our membership, I express our strongest support for The Small Business Payment for Performance Act of 2025, your most important legislation to remedy change order payment issues on federal projects.** This highly relevant federal contractor payment bill that you also introduced in the 117th and 118th Congress was greeted with great interest and enthusiastic bipartisan support within the construction industry and in related industries. The Payment for Performance Act is sure to again earn business and bipartisan support in the 119th Congress, as it would make long overdue reforms advocated by small and medium federal contractors to resolve change order payment disputes more fairly as well as quickly.

From extensive experience working on federal projects, we concur with your intent in sponsoring the Payment for Performance Act and give it our highest rating for advocacy and support. **With steel, aluminum, copper, and equipment tariffs already driving up contract material costs for contractors, especially on existing federal infrastructure projects, we urge Congress to expedite passage of this long overdue and vitally necessary Stauber legislation.** Without passage of the Small Business Payment for Performance legislation, these escalating material costs and subsequent payment problems for contractors can only grow more severe and the economic health of contractors small, medium and large more dire.

This essential legislation would allow contractors to submit a request for equitable adjustment (REA) or project contract fee adjustment to an agency that had approved a performed change order to a project's original design or scope. **The Payment for Performance Act** would ensure small business federal contractors get paid sooner after project changes are completed and certified as specified and directed by federal agency officials. Specifically, the legislation allows 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 does not represent the final remedy to the millions of dollars in change order inequities SMACNA contractors and other federal contractors face every year, it will make a significant difference and is a long overdue step most worthy of passage.

SMACNA's membership includes thousands of firms specializing in public work projects involving energy saving performance contracting, facility energy management and residential, commercial, public, and industrial energy system service, construction, and efficient retrofits. Based upon our extensive public market contracting experience with change orders we strongly support your legislation, The **Small Business Payment for Performance Act of 2025**. Further, we have asked for your House colleagues to co-sponsor and support your legislation for passage this session of Congress.

Sincerely,

Stanley E. Kolbe, Jr.
Executive Director, Government and Political Affairs



CAPITOL HILL OFFICE: 305 4TH STREET NE • WASHINGTON DC 20002
PHONE: 202 547 8202 • FAX: 202 547 8810

HEADQUARTERS: 4201 LAFAYETTE CENTER DRIVE • CHANTILLY VA 20151-1209
MAIL ADDRESS: P.O. BOX 221230 • CHANTILLY VA 20153-1230
PHONE: 703 803 2980 • FAX: 703 803 3732
WEB: www.smacna.org