H. R. 1

To amend the Small Business Act to provide interim partial payment to small business contractors that request an equitable adjustment due to a change in the terms of a construction contract, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. STAUBER introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend the Small Business Act to provide interim partial payment to small business contractors that request an equitable adjustment due to a change in the terms of a construction contract, 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. SHORT TITLE.

4 This Act may be cited as the “Small Business Pay-

5 ment for Performance Act of 2022”.

June 24, 2022 (11:02 a.m.)
SEC. 2. EQUITABLE ADJUSTMENTS TO CONSTRUCTION CONTRACTS.

(a) In General.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) by redesignating subsection (x) as subsection (y); and

(2) by inserting after subsection (w) the following new subsection:

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(x) INTERIM PARTIAL PAYMENTS FOR EQUITABLE ADJUSTMENTS TO CONSTRUCTION CONTRACTS.—

“(1) Request for an equitable adjustment.—A small business concern that was awarded a construction contract by an agency may submit a request for an equitable adjustment to the contracting officer of such agency if the contracting officer directs a change in the terms of the contract performance without the agreement of the small business concern. Such request shall—

“(A) be timely made pursuant to the terms of the contract; and

“(B) specify the estimated amount required to cover additional costs resulting from such change in the terms.

“(2) Amount.—Upon receipt of a request for equitable adjustment from a small business concern under paragraph (1), the agency shall provide to
such concern an interim partial payment in an amount equal to not less than 50 percent of the estimated amount under paragraph (1)(B).

“(3) LIMITATION.—Any interim partial payment made under this section may not be deemed to be an action to definitize the request for an equitable adjustment.

“(4) FLOW-DOWN OF INTERIM PARTIAL PAYMENT AMOUNTS.—A small business concern that receives an equitable adjustment under this subsection shall pay to a first tier subcontractor of such concern the portion of each interim partial payment received that is attributable to the increased costs of performance incurred by such subcontractor due to the change in the terms of the contract performance described in paragraph (1). A first tier subcontractor that receives a portion of an interim partial payment under this section shall pay to a subcontractor (at any tier) the appropriate portion of such payment.”.

(b) IMPLEMENTATION.—The Administrator of the Small Business Administration shall implement the requirements of this section not later than the earlier of the following dates:
(1) The first day of the first full fiscal year beginning after the date of the enactment of this Act.

(2) October 1, 2024.