



February 8, 2021

The Honorable Carolyn B. Maloney  
Chairwoman, Oversight and Reform Committee  
U.S. House of Representatives  
2157 Rayburn House Office Building  
Washington, DC 20515

**Re: The Need for and Benefit of a Construction Contract COVID Cost Recovery Mechanism**

Dear Chairwoman Maloney:

On behalf of the Mechanical Contractors Association of America, the National Association of Minority Contractors, and the Mechanical Contractors Association of New York, we write to you today to seek your help as we work to perform our federal contracts during the COVID pandemic.

Since the COVID pandemic began in 2020, our members have been adhering to distancing requirements, placing fewer workers on a job, and incorporating other COVID-related safety protocols, all of which has led to dramatically increased costs. Yet standard contract claims adjustment provisions did not anticipate this once-in-a-century pandemic. As a result, we cannot get any relief under the terms of the contracts we agreed to before the pandemic, even as our costs are skyrocketing. For this reason, we urge you to consider in any upcoming COVID-relief legislation the establishment of a COVID cost impact recovery fund for certain prime and subcontractors performing Federal agency projects that were bid and awarded before March 2020.

The following is a list of impacted contractors: Dirk Mechanical, ACS Mechanical, Central Mechanical, Tomco Mechanical, Grand Mechanical, UNI Mechanical, R.A.M.S. Mechanical, and Infinity Mechanical.

A COVID cost impact recovery fund is not just good for our members. It's good and fair public policy that ultimately will save taxpayer money. In New York and across the country, there are an increasing number of COVID-related claims on many federal projects. These claims threaten to ensnare federal building and rehabilitation projects in



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delays and defaults at the same time they swamp agency budgets with defensive administrative burdens and, ultimately, litigation costs.

Simply put, a COVID cost impact recovery fund, administered separately from project budgets, will protect the U.S. taxpayer, ensure the timely completion of ongoing federal construction projects, and importantly for our members, provide economic relief to struggling businesses, many of whom are on the verge of default. By helping Federal contractors now, Congress can also help preserve the Federal prime and subcontractor base for the upcoming and much needed infrastructure building boom.

We look forward to working with you and your staff on this urgent matter. Thank you for the consideration and for your understanding.

Respectfully,

Nayan Parikh, Executive Vice President, National Association of Minority Contractors

Timothy J. Brink, CEO Mechanical Contractors Association of America

Anthony Saporito, Executive Vice President, MCA of New York