

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

To establish a minimum wage for all Federal contractors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. ADAMS introduced the following bill; which was referred to the Committee on _____

A BILL

To establish a minimum wage for all Federal contractors, 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 “Living Wage for Fed-
5 eral Contractors Act”.

6 **SEC. 2. FEDERAL CONTRACTOR MINIMUM WAGE.**

7 (a) FEDERAL CONTRACTOR MINIMUM WAGE RE-
8 QUIRED.—An employee shall be paid a basic hourly rate
9 of pay that is not less than—

1 (1) \$17.00 per hour, for the 1-year period be-
2 ginning on the first day of the third month that be-
3 gins after the date of enactment of this Act;

4 (2) \$19.00 per hour, for the 1-year period be-
5 ginning on the last day of the 1-year period de-
6 scribed in paragraph (1);

7 (3) \$21.00 per hour, for the 1-year period be-
8 ginning on the last day of the 1-year period de-
9 scribed in paragraph (2);

10 (4) \$23.00 per hour, for the 1-year period be-
11 ginning on the last day of the 1-year period de-
12 scribed in paragraph (3);

13 (5) \$25.00 per hour, for the 1-year period be-
14 ginning on the last day of the 1-year period de-
15 scribed in paragraph (4); and

16 (6) for the succeeding 1-year period after the 1-
17 year period described in paragraph (5), and for each
18 1-year period thereafter, the amount in effect under
19 subsection (b) for such 1-year period.

20 (b) DETERMINATION OF INFLATION ADJUSTED MIN-
21 IMUM WAGE.—

22 (1) IN GENERAL.—Not later than the date that
23 is 90 days prior to a new amount determined under
24 this subsection is to take effect for a 1-year period
25 as described in subsection (a)(6), the Secretary of

1 Labor shall determine the amount in effect under
2 this subsection for such 1-year period. The amount
3 determined under this paragraph for a 1-year period
4 shall be an amount equal to the greater of—

5 (A) the basic hourly rate of pay in effect
6 on the date preceding such 1-year period; or

7 (B) such rate of pay, multiplied by the
8 ratio of—

9 (i) the CPI-W of the preceding 1-year
10 period, to

11 (ii) the CPI-W for the 1-year period
12 immediately prior to such preceding 1-year
13 period.

14 (2) ROUNDING.—If the amount determined
15 under paragraph (1) for a 1-year period is not a
16 multiple of \$0.05, such amount shall be rounded up
17 to the nearest multiple of \$0.05.

18 (3) CPI-W DEFINED.—

19 (A) IN GENERAL.—In this subsection, the
20 term “CPI-W” means, when used with respect
21 to a 1-year period, the Consumer Price Index
22 for Urban Wage Earners and Clerical Workers
23 (United States city average, all items, not sea-
24 sonally adjusted), or its successor publication,

1 as determined by the Bureau of Labor Statis-
2 tics, for the base period of such 1-year period.

3 (B) BASE PERIOD.—Not later than the
4 date on which the Secretary first determines
5 the basic hourly rate of pay in effect under this
6 subsection, the Secretary shall select the base
7 period to be used for each 1-year period from
8 the following:

9 (i) The most recent month for which
10 the CPI–W is available.

11 (ii) The most recent quarter so avail-
12 able.

13 (iii) The most recent year so available.

14 (c) APPLICATION TO TIPPED WORKERS.—For em-
15 ployees covered under subsection (a) who are tipped em-
16 ployees (as defined in section 3 of the Fair Labor Stand-
17 ards Act of 1938 (29 U.S.C. 203(t))), the basic hourly
18 rate of pay that must be paid to such an employee shall
19 be an amount equal to—

20 (1) for the 1-year period beginning on the first
21 day of the third month after the date of enactment
22 of this Act, \$13 per hour;

23 (2) \$16 per hour, for the 1-year period begin-
24 ning on the last day of the 1-year period described
25 in paragraph (1);

1 (3) \$19 per hour, for the 1-year period begin-
2 ning on the last day of the 1-year period described
3 in paragraph (2);

4 (4) \$22 per hour, for the 1-year period begin-
5 ning on the last day of the 1-year period described
6 in paragraph (3);

7 (5) \$25 per hour, for the 1-year period begin-
8 ning on the last day of the 1-year period described
9 in paragraph (4); and

10 (6) for the 1-year period following the 1-year
11 period described in paragraph (5), and for each 1-
12 year period thereafter, the amount in effect under
13 subsection (a)(6).

14 (d) ENFORCEMENT.—

15 (1) TERMINATION OF WORK ON FAILURE TO
16 PAY AGREED WAGES.—Every contract within the
17 scope of subsection (a) shall contain a provision that
18 if the contracting officer finds that any worker em-
19 ployed by the contractor or any subcontractor pursu-
20 ant to such a contract has been or is being paid a
21 rate of wages less than the rate required by this Act,
22 the Federal Government, by written notice to the
23 contractor, may terminate the contractor's right to
24 proceed with the work (or the part of the work as
25 to which there has been a failure to pay the required

1 wages). The Government may have the work com-
2 pleted, by contract or otherwise, and the contractor
3 and the contractor's sureties shall be liable to the
4 Government for any excess costs the Government in-
5 curs.

6 (2) AUTHORITY TO PAY WAGES AND LIST CON-
7 TRACTORS VIOLATING CONTRACTS.—

8 (A) PAYMENT OF WAGES.—

9 (i) IN GENERAL.—A party who vio-
10 lates subsection (a) or (c) shall be liable to
11 an employee for an amount equal to twice
12 the sum of any unpaid wages due to any
13 employee engaged in the performance of a
14 contract.

15 (ii) FEDERAL GOVERNMENT PAY-
16 MENT.—The Secretary of Labor, or the
17 head of a Federal agency, as applicable,
18 shall, in accordance with clause (v), pay di-
19 rectly to a worker described in subsection
20 (a) or subsection (c) from any accrued
21 payments withheld under the terms of a
22 contract any wages to be due to the worker
23 under this Act.

24 (iii) RIGHT OF ACTION.—If the ac-
25 crued payments withheld under the terms

1 of the contract are insufficient to reim-
2 burse all the workers who have not been
3 paid the wages required under this Act,
4 the workers have the right to bring a civil
5 action and intervene against the contractor
6 and the contractor's sureties.

7 (iv) NO DEFENSE.—In an action
8 brought under clause (iii) by a worker, it
9 shall not be a defense that the worker ac-
10 cepted or agreed to accept wages less than
11 the minimum amount established under
12 this Act.

13 (v) CROSS WITHHOLDING.—The total
14 amount determined under subsection (a) or
15 subsection (c) due to any employee en-
16 gaged in the performance of a contract
17 may be withheld from accrued payments
18 due on the contract or on any other con-
19 tract between the same contractor and the
20 Federal Government. The amount withheld
21 shall be held in a deposit fund. On order
22 of the Secretary, the compensation found
23 by the Secretary of Labor or the head of
24 a Federal agency to be due an underpaid
25 employee pursuant to this chapter shall be

1 paid from the deposit fund directly to the
2 underpaid employee.

3 (B) LIST OF CONTRACTORS VIOLATING
4 CONTRACTS.—

5 (i) IN GENERAL.—The Comptroller
6 General shall distribute to each Federal
7 agency a list of the names of persons
8 whom the Comptroller General has found
9 to have disregarded their obligations to
10 workers and subcontractors.

11 (ii) RESTRICTION ON AWARDING CON-
12 TRACTS.—No contract shall be awarded to
13 persons appearing on the list or to any
14 firm, corporation, partnership, or associa-
15 tion in which the persons have an interest
16 until three years have elapsed from the
17 date of publication of the list.

18 (C) CIVIL PENALTY.—

19 (i) IN GENERAL.—Any party who re-
20 peatedly or willfully violates subsection (a)
21 or (c) shall be subject to a civil penalty not
22 to exceed \$1,100 for each such violation.

23 (ii) DETERMINATION.—In deter-
24 mining the amount of a penalty under
25 clause (i), the appropriateness of such pen-

1 alty to the size of the business of the party
2 charged and the gravity of the violation
3 shall be considered. The amount of any
4 penalty under this subparagraph, when fi-
5 nally determined, may be—

6 (I) deducted from sums owing by
7 the United States to the party
8 charged; or

9 (II) recovered in a civil action
10 brought by the Secretary in any court
11 of competent jurisdiction, in which
12 litigation the Secretary shall be rep-
13 resented by the Solicitor of Labor.

14 (3) EXEMPTION.—This section shall not apply
15 to a grant, contract, contract-like instrument, or
16 agreement entered into under the Indian Self-Deter-
17 mination and Education Assistance Act (25 U.S.C.
18 5301 et seq.) to which an Indian Tribe or Tribal or-
19 ganization (as such terms are defined in section 4 of
20 such Act (25 U.S.C. 5304)) is a party.

21 (e) REGULATION.—Not later than 180 days after the
22 date of enactment of this Act, the Secretary of Labor shall
23 issue such regulations as are necessary to carry out the
24 purposes of this section.

25 (f) DEFINITIONS.—In this section:

1 (1) CONTRACT.—The term “contract” means
2 any contract, subcontract (at any tier), or any con-
3 tract-like instrument a Federal agency enters into
4 for goods, services, or in connection with any activi-
5 ties on Federal lands.

6 (2) EMPLOYEE.—The term “employee” means
7 any worker performing work on or in connection
8 with a contract, including any worker whose wages
9 are calculated pursuant to special certificates issued
10 under section 14(c) of the Fair Labor Standards Act
11 of 1938 (29 U.S.C. 214(c)), but such term does not
12 include workers who are covered by—

13 (A) section 3142 of title 40, United States
14 Code; or

15 (B) section 6704 of title 41, United States
16 Code.

17 (3) FEDERAL AGENCY.—The term “Federal
18 agency” means an executive agency or an establish-
19 ment in the legislative or judicial branch of the Gov-
20 ernment, and includes all independent regulatory
21 agencies and the United States Postal Service.

22 (4) INDEPENDENT REGULATORY AGENCY.—The
23 term “independent regulatory agency” has the
24 meaning given the term in section 3502(5) of title
25 44, United States Code.

1 **SEC. 3. DAVIS-BACON MINIMUM WAGE.**

2 (a) IN GENERAL.—Section 3142(b) of title 40,
3 United States Code, is amended to read as follows:

4 “(b) BASED ON PREVAILING WAGE.—The minimum
5 wages shall be the higher of—

6 “(1) the wages the Secretary of Labor deter-
7 mines to be prevailing for the corresponding classes
8 of laborers and mechanics employed on projects of a
9 character similar to the contract work in the civil
10 subdivision of the State in which the work is to be
11 performed, or in the District of Columbia if the work
12 is to be performed there; or

13 “(2) the wage rate in effect under section 2(a)
14 of ‘The Living Wages for Federal Contractors
15 Act’.”.

16 (b) EFFECTIVE DATE.—The amendment by this sec-
17 tion shall apply with respect to contracts entered into on
18 or after the date of enactment of this Act.

19 **SEC. 4. SERVICE CONTRACT ACT MINIMUM WAGE.**

20 (a) IN GENERAL.—Section 6704(a) of title 41,
21 United States Code, is amended by striking “section
22 6(a)(1) of the Fair Labor Standards Act of 1938 (29
23 U.S.C. 206(a)(1)” and inserting “section 2(a) (or section
24 2(c), in the case of a tipped employee) of ‘The Living
25 Wages for Federal Contractors Act’”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply with respect to contracts entered
3 into on or after the date of enactment of this Act.

4 **SEC. 5. MINIMUM WAGE FOR PROCUREMENT CONTRACTS.**

5 (a) IN GENERAL.—Section 6502(1) of title 41,
6 United States Code, is amended by striking “not less
7 than” and inserting the following: “the higher of—

8 “(A) the prevailing minimum wages, as de-
9 termined by the Secretary, for individuals em-
10 ployed in similar work or in the particular or
11 similar industries or groups of industries cur-
12 rently operating in the locality in which the ma-
13 terials, supplies, articles, or equipment are to be
14 manufactured or furnished under the contract,
15 except that this paragraph applies only to pur-
16 chases or contracts relating to industries that
17 have been the subject matter of a determination
18 by the Secretary; or

19 “(B) the wage rate in effect under section
20 2(a) of ‘The Living Wages for Federal Contrac-
21 tors Act’.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply with respect to contracts entered
24 into on or after the date of enactment of this Act.