AMENDMENT TO RULES COMM. PRINT 117–13
OFFERED BY MS. SCHAKOWSKY OF ILLINOIS

Page 654, line 5 strike the period and insert an em dash.

Page 654, after line 5, insert the following:

“(A) increased by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication, as determined by the Bureau of Labor Statistics; and

“(B) rounded to the nearest multiple of $0.05.”.

Page 663, after line 4, insert the following:

SEC. ___. SUSPENSION OR DEBARMENT REFERRAL FOR EGREGIOUS VIOLATIONS OF CERTAIN LABOR AND ENVIRONMENTAL LAWS.

(a) IN GENERAL.—A contracting officer shall refer to the appropriate suspension or debarment official any current or former contractor of the Department of Defense if such contracting officer reasonably believes that
such contractor has egregiously violated any covered labor
or environmental law.

(b) Egregious Violation Determination.—For
the purposes of this section, a contractor egregiously vio-
lates a covered labor or environmental law when—

(1) such contractor knowingly or willfully vio-
lates a covered labor or environmental law; and

(2) such violation, individually or in the aggre-
geate with other violations of labor or environmental
laws by such contractor, is severe (including through
the effects, dollar value, or frequency, or any com-
bination thereof, of such violations).

(c) Debarment or Suspension Basis.—An egre-
gious violation of a covered labor or environmental law by
a contractor may be a basis for suspension or debarment
of the contractor.

(d) Covered Labor or Environmental Law De-
fined.—In this section, the term “covered labor or envi-
ronmental law” means—

(1) any law, or any regulation thereunder, ad-
ministered by the National Labor Relations Board
related to the right of employees to organize;

(2) any law, or any regulation thereunder, ad-
ministered by the Environmental Protection Agency;

or
(3) a State regulation relevant to any law described in paragraph (1) or (2), as determined by the Secretary of Defense in consultation with the Secretary of Labor.

SEC. ___. PREFERENCE FOR CONTRACTS WITH CERTAIN LABOR REQUIREMENTS.

(a) IN GENERAL.—Chapter 242 of title 10, United States Code (as added by section 1817 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283)), is amended by adding at the end the following new section:

“§ 3325. Preference for contracts from offerors that meet certain labor requirements

“(a) IN GENERAL.—The Secretary of Defense shall establish a preference for contracting with an offeror that meets any of the following qualifications:

“(1) The offeror does not have a pay ratio of more than 100 to 1.

“(2) The offeror does not outsource jobs outside of the United States.

“(3) If the offeror has a Board of Directors, the offeror has at least one seat on such Board of Directors for a representative elected by the employees of the offeror.
“(4) The offeror contributes at least 5 percent of the payroll to a portable pension fund for employees of the offeror.

“(5) The offeror provides at least 2 percent of stock to employees of the offeror every year until the company is at least 20 percent owned such employees.

“(6) The offeror has a collective bargaining agreement with employees of the offeror.

“(7) Women and people of color make up at least 40 percent of top executives of the offeror and, if the offeror has a Board of Directors, of the members of such Board.

“(8) The offeror publicly discloses the gender and racial composition, and any pay gaps that exist, of the employees of the offeror.

“(9) The offeror provides an affirmative action program (as defined in section 30.4 of title 29, Code of Federal Regulations, or a successor regulation) to ensure equal opportunity in apprenticeships.

“(10) The offeror documents assistance provided to each individual with an intellectual or developmental disability and any other individual with a significant disability employed by the offeror under an certificate under section 14(e) of the Fair Labor
Standards Act (29 U.S.C. 214(c)) to transition to opportunities for competitive integrated employment, and that such individuals are employed in such opportunities for not less than 20 hours per week, on average.

“(11) The offeror maintains headquarters in the United States.

“(12) The offeror has Federal income tax liability which exceeds the offeror’s Federal income tax credits (other than such credits which constitute cash payments of tax by the offeror).

“(13) The offeror is neither an expatriated entity (as defined in subparagraph (A) of section 7874(a)(2) of the Internal Revenue Code of 1986) nor a surrogate foreign corporation (as defined in subparagraph (B) of such section).

“(14) The offeror discloses financial performance and tax information on a country-by-country basis.

“(b) APPLICATION OF PREFERENCE.—The Secretary of Defense shall apply subsection (a) by providing greater preference to an offeror that meets a greater number of the qualifications under paragraphs (1) through (10) of such subsection.
“(c) DEFINITIONS.—For the purposes of this section,—

“(1) the terms ‘developmental disability’ and ‘integrated’ have the meaning given the terms in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002);

“(2) the term ‘employee’ includes an independent contractor; and

“(3) the term ‘pay ratio’ means the ratio described in section 229.402(u)(1)(iii) of title 17, Code of Federal Regulations (or any successor regulation), except that if the highest compensated employee of the corporation is not the principal executive officer, the ratio shall be determined based on the compensation of such highest compensated employee.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 242 title 10, United States Code, is amended by adding at the end the following new item:

“3325. Preference for contracts from offerors that meet certain labor requirements.”.

(c) EFFECTIVE DATE.—Sections 3325 of title 10, United States Code, as added by subsection (a), shall take effect on January 1, 2022.
(d) APPLICABILITY.—This section and the amendments made by this section shall apply to any Federal contract entered into on or after the effective date of this section.

(e) REFERENCES; SAVING PROVISION; RULE OF CONSTRUCTION.—Sections 1883 through 1885 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283) shall apply with respect to the amendments made by this section as if such amendments were made under title XVIII of such Act.

Page 12, in the table of contents, insert after the matter related to section 807 the following:

Sec. ____ . Suspension or debarment referral for egregious violations of certain labor and environmental laws

Sec. ____ . Preference for contracts with certain labor requirements.