## 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:

1	"(A) increased by the annual percentage
2	increase in the Consumer Price Index for
3	Urban Wage Earners and Clerical Workers
4	(United States city average, all items, not sea-
5	sonally adjusted), or its successor publication,
6	as determined by the Bureau of Labor Statis-
7	tics; and

8 "(B) rounded to the nearest multiple of9 \$0.05.".

Page 663, after line 4, insert the following:

10	SEC SUSPENSION OR DEBARMENT REFERRAL FOR
11	EGREGIOUS VIOLATIONS OF CERTAIN LABOR
12	AND ENVIRONMENTAL LAWS.
13	(a) IN GENERAL.—A contracting officer shall refer
14	to the appropriate suspension or debarment official any
15	current or former contractor of the Department of De-
16	fense if such contracting officer reasonably believes that

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such contractor has egregiously violated any covered labor
 or environmental law.

- 3 (b) EGREGIOUS VIOLATION DETERMINATION.—For
  4 the purposes of this section, a contractor egregiously vio5 lates a covered labor or environmental law when—
- 6 (1) such contractor knowingly or willfully vio7 lates a covered labor or environmental law; and
- 8 (2) such violation, individually or in the aggre-9 gate with other violations of labor or environmental 10 laws by such contractor, is severe (including through 11 the effects, dollar value, or frequency, or any com-12 bination thereof, of such violations).
- (c) DEBARMENT OR SUSPENSION BASIS.—An egregious violation of a covered labor or environmental law by
  a contractor may be a basis for suspension or debarment
  of the contractor.
- 17 (d) COVERED LABOR OR ENVIRONMENTAL LAW DE18 FINED.—In this section, the term "covered labor or envi19 ronmental law" means—
- 20 (1) any law, or any regulation thereunder, ad21 ministered by the National Labor Relations Board
  22 related to the right of employees to organize;
- 23 (2) any law, or any regulation thereunder, ad24 ministered by the Environmental Protection Agency;
  25 or

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

## 5 SEC. \_\_\_\_. PREFERENCE FOR CONTRACTS WITH CERTAIN 6 LABOR REQUIREMENTS.

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

## 12 "§ 3325. Preference for contracts from offerors that meet certain labor requirements

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

17 "(1) The offeror does not have a pay ratio of18 more than 100 to 1.

19 "(2) The offeror does not outsource jobs out-20 side 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

1	"(4) The offeror contributes at least 5 percent
2	of the payroll to a portable pension fund for employ-
3	ees of the offeror.
4	"(5) The offeror provides at least 2 percent of
5	stock to employees of the offeror every year until the
6	company is at least 20 percent owned such employ-
7	ees.
8	"(6) The offeror has a collective bargaining
9	agreement with employees of the offeror.
10	"(7) Women and people of color make up at
11	least 40 percent of top executives of the offeror and,
12	if the offeror has a Board of Directors, of the mem-
13	bers of such Board.
14	"(8) The offeror publicly discloses the gender
15	and racial composition, and any pay gaps that exist,
16	of the employees of the offeror.
17	((9) The offeror provides an affirmative action
18	program (as defined in section 30.4 of title 29, Code
19	of Federal Regulations, or a successor regulation) to
20	ensure equal opportunity in apprenticeships.
21	((10) The offeror documents assistance pro-
22	vided to each individual with an intellectual or devel-
23	opmental disability and any other individual with a
24	significant disability employed by the offeror under
25	an certificate under section 14(c) of the Fair Labor

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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.

6 "(11) The offeror maintains headquarters in7 the United States.

8 "(12) The offeror has Federal income tax liabil-9 ity which exceeds the offeror's Federal income tax 10 credits (other than such credits which constitute 11 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).

17 "(14) The offeror discloses financial perform18 ance and tax information on a country-by-country
19 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.

1 "(c) DEFINITIONS.—For the purposes of this sec-2 tion—

3 "(1) the terms 'developmental disability' and
4 'integrated' have the meaning given the terms in
5 section 102 of the Developmental Disabilities Assist6 ance and Bill of Rights Act of 2000 (42 U.S.C.
7 15002);

8 "(2) the term 'employee' includes an inde-9 pendent 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.".

17 (b) TECHNICAL AND CONFORMING AMENDMENT.—
18 The table of sections for chapter 242 title 10, United
19 States Code, is amended by adding at the end the fol20 lowing 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 amend ments made by this section shall apply to any Federal con tract 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.

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