

SEC. 4. *Report.* Within 2 years after implementation of any final rule under this order, the Administrator of General Services, with the assistance of other executive agencies, shall submit to the Office of Management and Budget a report on the actions taken pursuant to this order.

SEC. 5. *Scope.* (a) Any proposed rules issued pursuant to section 3 of this order shall apply only to acquisitions for a total amount in excess of the micro-purchase threshold as defined in section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(f)).

(b) This order does not apply to a contract that is for the procurement of any product, or any article, material, or supply contained in a product that is mined, produced, or manufactured in any foreign country if:

(1) the foreign country is a party to the Agreement on Government Procurement annexed to the WTO Agreement or a party to the North American Free Trade Agreement (“NAFTA”); and

(2) the contract is of a value that is equal to or greater than the United States threshold specified in the Agreement on Government Procurement annexed to the WTO Agreement or NAFTA, whichever is applicable.

SEC. 6. *Definitions.* (a) “Executive agency” and “agency” have the meaning given to “executive agency” in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(b) “WTO Agreement” means the Agreement Establishing the World Trade Organization, entered into on April 15, 1994.

(c) “Forced or indentured child labor” means all work or service (1) exacted from any person under the age of 18 under the menace of any penalty for its non-performance and for which the worker does not offer himself voluntarily; or (2) performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

SEC. 7. *Judicial Review.* This order is intended only to improve the internal management of the executive branch and does not create any rights or benefits, substantive or procedural, enforceable by law by a party against the United States, its agencies, its officers, or any other person.

WILLIAM J. CLINTON.

**§ 6502. Required contract terms**

A contract made by an agency of the United States for the manufacture or furnishing of materials, supplies, articles, or equipment, in an amount exceeding \$10,000, shall include the following representations and stipulations:

(1) **MINIMUM WAGES TO BE PAID.**—All individuals employed by the contractor in the manufacture or furnishing of materials, supplies, articles, or equipment under the contract will be paid, without subsequent deduction or rebate on any account, not less than the prevailing minimum wages, as determined by the Secretary, for individuals employed in similar work or in the particular or similar industries or groups of industries currently operating in the locality in which the materials, supplies, articles, or equipment are to be manufactured or furnished under the contract, except that this paragraph applies only to purchases or contracts relating to industries that have been the subject matter of a determination by the Secretary.

(2) **MAXIMUM NUMBER OF HOURS TO BE WORKED IN A WEEK.**—No individual employed by the contractor in the manufacture or furnishing of materials, supplies, articles, or equipment under the contract shall be permitted to work in excess of 40 hours in any one week, except

that this paragraph does not apply to an employer who has entered into an agreement with employees pursuant to paragraph (1) or (2) of section 7(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(b)(1) or (2)).

(3) **INELIGIBLE EMPLOYEES.**—No individual under 16 years of age and no incarcerated individual will be employed by the contractor in the manufacture or furnishing of materials, supplies, articles, or equipment under the contract, except that this section, or other law or executive order containing similar prohibitions against the purchase of goods by the Federal Government, does not apply to convict labor that satisfies the conditions of section 1761(c) of title 18.

(4) **STANDARDS OF PLACES AND WORKING CONDITIONS WHERE CONTRACT PERFORMED.**—No part of the contract will be performed, and no materials, supplies, articles, or equipment will be manufactured or fabricated under the contract, in plants, factories, buildings, or surroundings, or under working conditions, that are unsanitary, hazardous, or dangerous to the health and safety of employees engaged in the performance of the contract. Compliance with the safety, sanitary, and factory inspection laws of the State in which the work or part of the work is to be performed is prima facie evidence of compliance with this paragraph.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3807.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
6502 (matter before par. (1)).	41:35 (matter before subsec. (a) less words related to definition of “agency of the United States”).	June 30, 1936, ch. 881, §1 (matter before subsec. (a) less words related to definition of “agency of the United States”), (a), 49 Stat. 2036; Pub. L. 103-355, title VII, §7201(1), Oct. 13, 1994, 108 Stat. 3378.
6502(1) .....	41:35(a). 41:45.	June 30, 1936, ch. 881, §13, formerly §11, 49 Stat. 2039; renumbered §12, June 30, 1952, ch. 530, title III, §301, 66 Stat. 308; renumbered §13, Pub. L. 104-106, div. D, title XLIII, §4321(f)(1)(B), Feb. 10, 1996, 110 Stat. 675.
6502(2)-(4) ...	41:35(b)-(d).	June 30, 1936, ch. 881, §1(b)-(d), 49 Stat. 2036; May 13, 1942, ch. 306, 56 Stat. 277; Pub. L. 90-351, title I, §819(b), formerly §827(b), as added Pub. L. 96-157, §2, Dec. 27, 1979, 93 Stat. 1215 and renumbered §819(b), Pub. L. 98-473, title II, §609B(f), Oct. 12, 1984, 98 Stat. 2093; Pub. L. 99-145, title XII, §1241(b), Nov. 8, 1985, 99 Stat. 734; Pub. L. 103-355, title VII, §7201(1), Oct. 13, 1994, 108 Stat. 3378.

In the matter before paragraph (1), the words “and entered into” are omitted as unnecessary.

In paragraph (1), the words “under the contract” are substituted for “used in the performance of the contract” in 41:35(a) to eliminate unnecessary words and for consistency in the chapter. The words “Sections 35 to 45 of this title shall apply to all contracts entered into pursuant to invitations for bids issued on or after ninety days from June 30, 1936” in 41:45 are omitted as obsolete.

In paragraph (2), the words “under the contract” are substituted for “used in the performance of the contract” to eliminate unnecessary words and for consistency in the chapter.

In paragraph (3), the words “No individual under 16 years of age” are substituted for “no male person under sixteen years of age and no female person under eighteen years of age” to reflect the interpretation of this provision subsequent to enactment of civil rights laws such as section 703 of the Civil Rights Act of 1964 (42:2000e-2), as carried out by the Department of Labor through 41 C.F.R. Part 50-201.104. The words “incarcerated individual” are substituted for “convict labor” the first time the words appear because the term “convict labor” is ambiguous and may be interpreted to include individuals who are not incarcerated. This would be an inappropriate interpretation because 41:35(c) provides an exception for “convict labor” that satisfies the conditions of 18:1761(c) regarding certain non-Federal prison work projects. The words “or production” are omitted for consistency with the source provisions for paragraphs (1) and (2) and because, in this context, the concept of “production” is included in the words “manufacture or furnishing”. The words “under the contract” are substituted for “included in such contract” for consistency in the chapter.

**§ 6503. Breach or violation of required contract terms**

(a) **APPLICABLE BREACH OR VIOLATION.**—This section applies in case of breach or violation of a representation or stipulation included in a contract under section 6502 of this title.

(b) **LIQUIDATED DAMAGES.**—In addition to damages for any other breach of the contract, the party responsible for a breach or violation described in subsection (a) is liable to the Federal Government for the following liquidated damages:

(1) An amount equal to the sum of \$10 per day for each individual under 16 years of age and each incarcerated individual knowingly employed in the performance of the contract.

(2) An amount equal to the sum of each underpayment of wages due an employee engaged in the performance of the contract, including any underpayments arising from deductions, rebates, or refunds.

(c) **CANCELLATION AND ALTERNATIVE COMPLETION.**—In addition to the Federal Government being entitled to damages described in subsection (b), the agency of the United States that made the contract may cancel the contract and make open-market purchases or make other contracts for the completion of the original contract, charging any additional cost to the original contractor.

(d) **RECOVERY OF AMOUNTS DUE.**—An amount due the Federal Government because of a breach or violation described in subsection (a) may be withheld from any amounts owed the contractor under any contract under section 6502 of this title or may be recovered in a suit brought by the Attorney General.

(e) **EMPLOYEE REIMBURSEMENT FOR UNDERPAYMENT OF WAGES.**—An amount withheld or recovered under subsection (d) that is based on an underpayment of wages as described in subsection (b)(2) shall be held in a special deposit account. On order of the Secretary, the amount shall be paid directly to the underpaid employee on whose account the amount was withheld or recovered. However, an employee’s claim for payment under this subsection may be entertained only if made within one year from the date of actual notice to the contractor of the withholding or recovery.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3808.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
6503 .....	41:36.	June 30, 1936, ch. 881, §2, 49 Stat. 2037.

In subsection (b)(1), the words “individual under 16 years of age” are substituted for “male person under sixteen years of age or each female person under eighteen years of age” to reflect the interpretation of this provision subsequent to enactment of civil rights laws such as section 703 of the Civil Rights Act of 1964 (42:2000e-2), as carried out by the Department of Labor through 41 C.F.R. Part 50-201.104. The words “incarcerated individual” are substituted for “convict laborer” because of the exception to convict labor that satisfies the conditions of 18:1761(c). Section 1761 does not apply to non-incarcerated convicts.

Subsection (b)(2) is substituted for “a sum equal to the amount of any deductions, rebates, refunds, or underpayment of wages due to any employee engaged in the performance of such contract” for consistency in the chapter.

In subsection (c), the words “made the contract” and “make other contracts” are substituted for “entering into such contract” and “enter into other contracts”, respectively, for consistency in the revised title.

In subsection (d), the words “suit brought by the Attorney General” are substituted for “suits brought in the name of the United States of America by the Attorney General thereof” to eliminate unnecessary words.

**§ 6504. Three-year prohibition on new contracts in case of breach or violation**

(a) **DISTRIBUTION OF LIST.**—The Comptroller General shall distribute to each agency of the United States a list containing the names of persons found by the Secretary to have breached or violated a representation or stipulation included in a contract under section 6502 of this title.

(b) **THREE-YEAR PROHIBITION.**—Unless the Secretary recommends otherwise, a contract described in section 6502 of this title may not be awarded to a person named on the list under subsection (a), or to a firm, corporation, partnership, or association in which the person has a controlling interest, until 3 years have elapsed from the date of the determination by the Secretary that a breach or violation occurred.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3808.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
6504 .....	41:37.	June 30, 1936, ch. 881, §3, 49 Stat. 2037.

In this section, the words “or firms” are omitted because of the definition of “person” in 41:41, restated in section 6501 of the revised title.

In subsection (a), the words “or violated” are added for consistency in the chapter.

In subsection (b), the words “contract described in section 6502 of this title” are substituted for “contracts” to clarify the scope of the prohibition. The words “the date of the determination by the Secretary that a breach or violation occurred” are substituted for “the date the Secretary of Labor determines such breach to have occurred” to clarify that the three-year period begins with the date of the Secretary’s determination and not with the date of the breach or violation. The words “or violation” are added for consistency in the chapter.