

ENFORCEMENT

The two acts and the proposal all provide for contract cancellation and withholding of payments due contractors if the labor standards provisions are violated.

Similarly, they provide for debarment of violating contractors from Federal contract award. Under Davis-Bacon Act, the debarment period is 3 years. Similar language under the Davis-Bacon Act is construed as barring the debarred contractors from participating as subcontractors as well. Under Walsh-Healey and the Service Contract Act proposal the debarment period is 3 years but the Secretary of Labor has the discretion to recommend against debarment.

The Service Contract Act proposal incorporates by reference the provisions of the Walsh-Healey Public Contracts Act requiring the Secretary of Labor to hold administrative hearings subject to section 5 of the Administrative Procedure Act to determine violations.

Comparable procedures under the Davis-Bacon Act are less formal, although with respect to violations the contractor is afforded an opportunity to be heard both before the executive branch and the Comptroller General.

NONAPPROPRIATED FUND ACTIVITY EMPLOYEES OF DEPARTMENT OF DEFENSE

There is attached a Department of Defense directive requiring that certain of these employees receive a minimum wage.

No. 1416.6
ASD(M)

DEPARTMENT OF DEFENSE DIRECTIVE

Subject: Minimum wages for nonappropriated fund employees.

Reference: (a) Fair Labor Standards Act, as amended (29 U.S.C. 201 et seq.).

I. PURPOSE

This directive establishes a Department of Defense minimum wage policy for employees of nonappropriated fund activities.

II. APPLICABILITY

This directive is applicable to all components of the Department of Defense (military departments, defense agencies, and the Office of the Secretary of Defense), hereinafter referred to as "DOD components."