

U.S. DEPARTMENT OF LABOR
WORKPLACE STANDARDS ADMINISTRATION
WASHINGTON, D.C. 20210



OFFICE OF THE ADMINISTRATOR

February 3, 1971

MEMORANDUM #90

TO: All Government Contracting Agencies of the Federal Government and
the District of Columbia

SUBJECT: Revised Poster - Service Contract - Walsh-Healey Public
Contracts Act - W-H Publication 1313

Contracting officers have the responsibility of furnishing posters
relating to the Service Contract Act and the Public Contracts Act
to contractors receiving contracts subject to these Acts.

A new combined poster which highlights both laws has recently been
issued, replacing the separate documents formerly in use. A copy
(WH Publication 1313) is attached.

Requests for copies of the poster should be directed to:

Workplace Standards Administration
U. S. Department of Labor
14th Street and Constitution Avenue, N. W.
Washington, D. C. 20210

The obsolete posters - SC-1 and PC-13 - should be destroyed upon
receipt of the revised poster.

Robert D. Moran

Robert D. Moran
Administrator

Attachment

06

NOTICE

TO EMPLOYEES WORKING ON GOVERNMENT CONTRACTS

THIS ESTABLISHMENT IS PERFORMING GOVERNMENT CONTRACT WORK
SUBJECT TO THE —

MINIMUM WAGES

FRINGE BENEFITS

OVERTIME PAY

SAFETY AND HEALTH

INFORMATION

SERVICE CONTRACT ACT OR PUBLIC CONTRACTS ACT

During the period of performance on the contract the following requirements must be observed:

Your rate must be at least \$1.60 per hour. A higher rate may be required if a wage determination applies. Such higher rates for SERVICE contracts will be posted as an attachment to this Notice. For SUPPLY contracts, ask your employer whether a higher rate applies.

SERVICE contract wage determinations may require fringe benefit payments (or a cash equivalent). SUPPLY contracts do not require fringe benefits.

You must be paid 1½ times your basic rate of pay for all hours worked over 8 in a day or 40 in a week, whichever is greater. There are some exceptions.

The work must be performed under conditions that are sanitary, and not hazardous or dangerous to the employees' health and safety.

No person under 16 years of age, may be employed on a SUPPLY Contract.

Further information on the wage provisions of the Service Contract Act or the Walsh-Healey Public Contracts Act may be obtained from the Wage and Hour Division. Information relating to the safety and health provisions may be obtained from the Bureau of Labor Standards. Offices are located in principal cities. Check your telephone directory under U.S. Government, Department of Labor, Wage and Hour Division.



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WAGE AND HOUR DIVISION
WASHINGTON, D. C. 20210

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According to information submitted to this office, your firm has been awarded a contract which is subject to the Walsh-Healey Public Contracts Act or the Service Contract Act. The purpose of the discussion below is to advise contractors of the principal provisions of these acts.

WALSH-HEALEY PUBLIC CONTRACTS ACT

GENERAL PROVISIONS—This act applies to contracts which exceed or may exceed \$10,000 entered into by any agency or instrumentality of the United States for the manufacture or furnishing of materials, supplies, articles, or equipment. The act requires the contractor to be qualified as a manufacturer or regular dealer, establishes minimum wage, maximum hours, and safety and health standards for work on such contracts, and prohibits the employment on contract work of children under 16 years of age, and convict labor. The employment of homeworkers (except handicapped clients of bona fide sheltered workshops) on a covered contract is not permitted. The act also requires the keeping of certain records.

In addition to its coverage of prime contractors, the act under certain circumstances applies to secondary contractors performing work under contracts awarded by the Government prime contractor.

All provisions of the act except the safety and health requirements are administered by the Wage and Hour Division.

MINIMUM WAGE—A covered employer must pay to all covered employees at least the minimum wages determined by the Secretary of Labor to prevail for similar work or in the pertinent industry or industries. Covered employers will be able to ascertain the minimum wages applicable to their contracts from PC-16 which lists all minimum wage determinations in effect under the act. Employees must be paid not less than \$1.60 an hour unless a wage determination sets a higher rate. Under existing policy, neither the minimum wage determinations for specific industries nor the rate of \$1.60 an hour for industries without specific determinations are enforced in Puerto Rico or the Virgin Islands. The applicable rates under the Fair Labor Standards Act apply in those areas.

OVERTIME—Covered workers must be paid at least one and one-half times their basic rate of pay for all hours worked in excess of 8 a day or 40 a week, whichever number of overtime hours is greater. Overtime is due on the basis of the total hours spent in all work, Government and non-Government, performed by the employee in any week in which covered work is performed.

CHILD LABOR—Employers may protect themselves against unintentional child labor violations by obtaining certificates of age. State employment or age certificates are acceptable.

SAFETY AND HEALTH—No covered work may be performed in plants, factories, buildings, or surroundings or under work conditions that are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in the performance of the contract. The safety and health provisions of the Walsh-Healey Public Contracts Act are administered by the Bureau of Labor Standards.

POSTING—During the period that covered work is being performed on a contract subject to the act, the contractor must post copies of Notice to Employees Working on Government Contracts in a sufficient number of places to permit employees to observe a copy on the way to or from their place of employment.

RESPONSIBILITY FOR SECONDARY CONTRACTORS—Prime contractors are liable for violations of the act committed by their covered secondary contractors.

OTHER OBLIGATIONS—*Observance of the labor standards of these acts does not relieve the employer of any obligation he may have under any other laws or agreements providing for higher labor standards.*

ADDITIONAL INFORMATION—*Additional information and copies of the acts and applicable regulations and interpretations may be obtained from the nearest office of the Wage and Hour Division or the National Office in Washington, D. C. Information pertaining to safety and health standards may be obtained from the nearest office of the Bureau of Labor Standards or the National Office in Washington, D. C.*

SERVICE CONTRACT ACT

GENERAL PROVISIONS—The Service Contract Act applies to every contract (and any bid specification therefor) entered into by the United States or the District of Columbia, the principal purpose of which is to furnish services in the United States through the use of service employees. Contractors and subcontractors performing on such Federal contracts must observe minimum wage and safety and health standards, and must maintain certain records, unless a specific exemption applies.

WAGES AND FRINGE BENEFITS—Every service employee performing any of the Government contract work under a service contract in excess of \$2,500 must be paid not less than the monetary wages, and must be furnished the fringe benefits, which the Secretary of Labor has determined to be prevailing in the locality for the classification in which the employee is working. The wage rates and fringe benefits required are specified in the contract. If no wage rate determination has been made applicable to the contract, employees performing work under the contract must be paid not less than the minimum wage provided in section 6(a)(1) of the Fair Labor Standards Act (\$1.60 per hour).

All employees doing work necessary to the performance of the contract must also be paid not less than the minimum wage provided in section 6(a)(1) of the Fair Labor Standards Act.

Other employees whose rate of pay is not governed by either the Service Contract Act or by section 6(a)(1) of the Fair Labor Standards Act must be paid a minimum wage of not less than that provided by section 6(b) of the Fair Labor Standards Act (\$1.45 an hour until February 1, 1971, and \$1.60 thereafter).

Service contracts which do not exceed \$2,500 are not subject to prevailing rate determinations or to the safety and health requirements of the Act. However the Act does require that employees performing work on such contracts be paid not less than the \$1.60 minimum wage rate provided by section 6(a)(1) of the Fair Labor Standards Act.

There are certain special minimum wage provisions relating to linen supply contracts and to contracts to provide nursing home care of veterans.

All provisions of the act except the safety and health requirements are administered by the Wage and Hour Division.

OVERTIME—Service contracts in excess of \$2,500 which may require or involve the use of laborers or mechanics require the payment of overtime under the Contract Work Hours and Safety Standards Act at time and one-half the basic rate for all hours worked on the contract in excess of 8 a day or 40 a week, whichever is greater.

SAFETY AND HEALTH—The act provides that no part of the services in contracts in excess of \$2,500 may be performed in buildings or surroundings or under working conditions, provided by or under the control or supervision of the contractor or subcontractor, which are unsanitary or hazardous or dangerous to the health or safety of service employees engaged to furnish the services. The safety and health provisions of the Service Contract Act are administered by the Bureau of Labor Standards.

NOTICE TO EMPLOYEES—On the date a service employee commences work on a contract in excess of \$2,500, the contractor (or subcontractor) must provide the employee with a notice of the compensation required by the act. The posting of the notice contained on the reverse in a location where it may be seen by all employees performing on the contract, will satisfy this requirement.

NOTICE IN SUBCONTRACTS—The contractor is required to insert in all subcontracts the labor standards clauses specified by the regulations in 29 CFR 4 for Federal service contracts exceeding \$2,500.

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