

RESOLUTION NO. 10

CONTRACTOR/EMPLOYER PAYMENT BOND

WHEREAS, there have been numerous instances over the years when federal service contractors have failed to pay all the wages due their employees or all of the benefit contributions due on their employees' behalf; and

WHEREAS, there are times when such contractors do not have sufficient amounts still due them under their procurement contracts to pay these delinquent amounts and the more current wages and benefits due, thereby creating a short-fall between what is owed and what the U. S. Department of Labor and the procurement agency can obtain to pay the delinquent amounts; and

WHEREAS, when a contractor declares bankruptcy, there are rarely sufficient assets to pay all of the back wages and benefits due; and

WHEREAS, during the 1970's, it was common for procurement agencies to require contractors to post a payment bond to assure that wages and benefits will be paid in the event of a default on the procurement contract or a delinquency in payment to or for the employees, but no such requirement has been included in federal service contracts for many years;

NOW, THEREFORE, it is hereby

RESOLVED that it is the position of this ITPE Convention that procurement agencies should require contractors to post payment bonds and thereby assure the service contract workers that they will receive their full wages and benefits in exchange for their labors; and it is further

RESOLVED that, if the procurement agencies do not rapidly adopt this process, Congress should pass legislation which will mandate that a payment bond be required on all federal service contracts in order to protect and assure the full payment of wages and benefits to all service contract workers.