

\$15 Per Hour Minimum Wage for Federal Contractors Takes Effect

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The Federal Acquisition Regulatory Council recently issued an [interim rule](#) amending the Federal Acquisition Regulation (FAR) to implement [Executive Order 14026 “Increasing the Minimum Wage for Federal Contractors”](#) and a [final rule issued by the Department of Labor](#). The Executive Order “seeks to raise the hourly minimum wage paid by contractors to workers performing work on or in connection with covered Federal contracts to \$15.00 per hour beginning January 30, 2022, and beginning January 1, 2023, and annually thereafter, to an amount determined by the Secretary of Labor.”

Applicability

This interim rule applies as follows:

1. To solicitations issued on or after January 30, 2022, and their resulting contracts.
2. To new contracts awarded without a prior solicitation (e.g., a purchase order under FAR part 13), on or after January 30, 2022.
3. To new contracts with a prior solicitation awarded on or after March 31, 2022.
4. To existing contracts, including procurements for recreational services, when extending, renewing, or exercising an option on the existing contract on or after the effective date of the rule. Contracting officers are being directed to incorporate the amended clause in this rule at FAR 52.222-55, Minimum Wages for Contractor Workers Under Executive Order 14026, in the existing contracts through bilateral modifications. In such a circumstance, if the contracting officer is unable to incorporate the clause in an existing contract through bilateral modification, then the contracting officer shall decline to extend, renew, or exercise the option on the existing contract.
5. In accordance with FAR 1.108(d), contracting officers are “strongly encouraged” to include the amended clause in other contracts awarded before March 31, 2022.

Comment Date

To be considered in the formation of the final rule, comments from interested parties are to be submitted on or before March 28, 2022.

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