

# Service Contract Workers Deserve Good Jobs

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### Introduction and summary

On the campaign trail, candidate Joseph Biden was enthusiastically pro-worker. He promised to create good jobs in the United States; close racial wealth and wage gaps; support working Americans' ability to exercise their rights and build power on the job; and improve essential minimum standards such as raising the minimum wage to \$15. President Biden has followed through on his pledge by taking steps to increase wages, strengthen anti-discrimination protections, provide emergency paid leave for the millions of working Americans employed by federal contractors, and ensure that federal purchasing creates jobs in the United States.<sup>1</sup>

These reforms will not only improve the lives of millions of working families but also help the U.S. government fulfill its long-standing commitment to serve as a model employer when it purchases goods and services. Last year alone, the federal government spent half a trillion dollars through the federal procurement system, supporting millions of private sector jobs.<sup>2</sup>

Yet there is more to be done, and the president has signaled his support for implementing further reforms. Pro-worker contracting reforms would help to guarantee that President Biden's proposals to invest in infrastructure, the caregiving sector, and green industries also create high-quality jobs available to workers from all walks of life. These investments will also help spur economic recovery, since workers earning decent wages and benefits spread gains to their communities through increased local spending and other means.<sup>3</sup>

This report focuses on raising standards for contract workers providing services that are essential to the well-being of the nation. This includes Americans who care for aging veterans; call center workers who answer the public's questions about health care programs and coronavirus safety measures; and even the cafeteria workers who prepared meals for members of Congress during the Capitol riot.<sup>4</sup>

In order to do so, President Biden should adopt reforms to:

- Pay contract workers decent wages of at least \$15 per hour and provide needed benefits
- Require equal pay for workers with disabilities and better protect all workers from discrimination, no matter their race, national origin, sex, sexual orientation, gender identity, disability, or status as a protected veteran
- Strengthen the power of government and workers to enforce workplace rights

To be sure, all federal contract workers deserve good jobs, no matter whether they help build roads and bridges, manufacture vaccines, clothe American troops, or provide essential services. Some of the reforms in this report can also be applied more broadly: For example, a \$15 minimum wage should apply to all federal contract workers inside and outside the service sector. And President Biden has signaled his support and has started to undertake reforms to improve domestic content standards, ensure prevailing wages for construction contract workers, and increase construction-sector career pathways for workers of color. <sup>5</sup>

However, a focus on service workers is crucial; it will allow the president to improve the lives of many of the lowest-paid government workers. Moreover, focusing on this essential sector will help correct long-standing racial and gender disparities, since women as well as African American and Latino workers are overrepresented in many service contract industries.<sup>6</sup>

Strong enforcement of improved workplace standards should help protect unionized workers when contracts are rebid; counter workplace discrimination; empower workers to pursue remedies for illegal treatment in court together; and allow partnerships with worker organizations to educate contract workers on their rights and help to report violations to enforcement agencies. In addition to supporting good jobs, adopting and enforcing decent standards has a proven record of providing a good value to the government and ensuring that companies that respect their workers can compete on an even playing field. Historically, both Republican and Democratic lawmakers have advanced contracting reforms to ensure that government functions as a model employer. Research shows that when contracted jobs are supported by strong standards, taxpayers benefit from a more experienced and stable workforce while more high-road businesses that create good jobs are encouraged to bid for contracts. 8

This report details a number of recommendations to raise standards for service contract workers. In addition, it provides evidence that these recommended concepts will work by highlighting the federal government's history of adopting these sorts of reforms as well as similar reforms adopted by numerous cities and states.

## A history of higher standards

For more than a century, both Republican and Democratic lawmakers have enacted reforms to ensure that when the government funds private sector jobs, it functions as a model employer. That means that it does not support employment discrimination; undercut existing standards; or permit workers to be paid poverty wages or endure unsafe working conditions.

Newton Baker, secretary of war during World War I, established a board of control in 1917 in order to improve working conditions for garment workers sewing U.S. Army uniforms. He empowered the board "to enforce the maintenance of sound industrial and sanitary conditions in the manufacture of Army clothing, to inspect factories, to see that proper standards are established on Government work, to pass upon the industrial standards maintained by bidders on Army clothing, and act so that just conditions prevail."9

Similarly, as the country was on the verge of entering World War II, President Franklin D. Roosevelt heeded the call of Black trade unionist and civil rights activist A. Philip Randolph, who, with others, protested against discrimination in industry and in the military. In June 1941, Roosevelt signed executive order 8802, banning employment discrimination on the basis of race, creed, color, or national origin by federal agencies and all companies and unions engaged in warrelated work. In the intervening years, Congress and various presidents have enacted reforms to require that contract workers are paid market wages; have access to decent benefits; can exercise their right to come together in unions; and enjoy workplaces free from discrimination and harassment and with equitable opportunities for advancement.

At the height of the civil rights movement, President Lyndon B. Johnson signed executive order 11246 to ban discrimination among contractors on the basis of race, color, religion, or national origin. Meanwhile, that same year, Congress enacted the Service Contract Act (SCA) to set labor standards for federally con-

tracted service workers. The Republican lawmaker who co-sponsored the bill said: "If ever we had a group of employees in this country who deserve the aid of the Federal Government in improving their wages and working conditions, it is the large and growing group of service employees, many of them members of minority races, who furnish such important services to the Nation."<sup>12</sup>

As he signed the SCA into law, President Johnson observed, "[I]n the midst of prosperity, there are many who continue to exist on economic levels far below that of our general prosperity. Many of those affected by this bill are so situated." <sup>13</sup>

More recently, President Barack Obama used his executive authority to create a contract worker minimum wage and enact paid sick leave protections. <sup>14</sup> In addition, he signed executive orders to extend anti-discrimination protections to LGBTQ Americans working for federal contractors, provide workers on existing federal service contracts a right of first refusal when a new company wins a successor contract, and help guarantee that corporations that receive lucrative contracts comply with basic workplace standards. <sup>15</sup>

Already, President Biden has announced that he will improve the lives of hundreds of thousands of underpaid contract workers by raising the contract minimum wage, modernizing prevailing wage standards, and extending emergency paid leave protections, as well as supporting safe working environments by requiring adherence to COVID-19 safety protocols among contract and noncontract workers at federal work sites. <sup>16</sup> President Biden also quickly ended a ban on antibias and anti-discrimination trainings by federal contractors, sending a strong message that in order to win federal contracts, companies must commit to free and equitable access to opportunity for all workers. <sup>17</sup>

Yet too often, these laws and regulations fall far short of their promise, as detailed in a recent report from the Center for American Progress Action Fund. Some standards leave out wide swaths of American workers or do not reflect the realities of the modern economy. Other protections are undercut by a federal procurement system that often preferences the lowest bid over other measures of quality, sidelines enforcement efforts, and silences workers voices when they try to dispute unfair conditions. Moreover, the Trump administration exacerbated these problems with actions that weakened federal protections and oversight.

A recent report from the Government Accountability Office found that contractors providing security and janitorial, mail hauling, and call center services shortchanged their workers \$224 million over a five-year period.<sup>20</sup> And despite interventions by President Obama to require that all contract workers earn at least the contract minimum wage, today, corporations may still segregate contract workers with disabilities and pay them less than the prevailing wage.<sup>21</sup>

While a narrowly divided Senate may slow the advancement of key legislation to raise standards for working Americans, President Biden has the authority to ensure that the federal government functions as a model employer when it contracts and to raise standards for workers whose jobs are funded by federal spending.

### Policy recommendations

President Biden can help to modernize and expand federal contract worker protections by taking several actions in the coming months. These reforms range from policies already front and center in current progressive debates to more technical regulatory reforms. Taken together, these actions would significantly raise standards for service contract workers and make these protections real by giving them power on the job and inside government.

# Pay contract workers decent wages of at least \$15 and provide needed benefits

All workers being paid by the federal government deserve to earn decent wages and benefits that do not undercut the market. In order to guarantee that service contract workers earn fair wages, President Biden should take the following steps.

### Raise the contractor minimum wage to \$15

President Biden recently announced that he will raise the contract worker minimum wage to \$15 per hour during the first 100 days of his administration. <sup>22</sup> Doing so will increase pay for hundreds of thousands of low-wage workers and help push Congress to go even further to raise the minimum wage for all private sector workers. <sup>23</sup>

It is critical that the new contractor minimum wage increase annually with inflation, float permanently above the federal minimum wage, and apply as broadly as possible.<sup>24</sup> Indeed, while this report is aimed at service workers, the contractor minimum wage standard should apply to all government contracting, including federal construction contracts as well as contracts for certain supplies.

### Strengthen SCA regulations and guidance

Congress enacted and amended the SCA to ensure that service contract workers earn no less than local market pay and benefits; narrow the compensation gap between direct federal employees and lower-paid contracted employees; and prevent the government from undercutting unionized workers' right to negotiate a better deal.

The SCA allows the government to set the basic hourly rate of wages and benefits paid to a number of similarly employed service contract workers in a given geographic area. Despite enormous growth in the government's use of service contracts and fundamental changes to the federal procurement system since the enactment of the SCA, the federal regulations governing prevailing standards have not been significantly revised in decades.<sup>25</sup>

Contract wages are often undercut in geographies and industries where the government is the largest player in the market. Low wages on contracts not only harm workers who struggle to support themselves but also can result in high turnover and a less experienced workforce, thereby reducing contractors' ability to deliver high-quality results to the federal government.<sup>26</sup>

Moreover, raising the contractor minimum pay standard to \$15 does not go far enough to ensure that compensation keeps up with improving market standards or that workers across the country earn fair wages. For example, when the new standard goes into effect, service contract workers covered by the SCA and the contractor minimum wage will be entitled to a minimum of \$15 per hour as well as an additional \$4.54 per hour in benefits, or \$19.54 per hour total. Meanwhile, an adult in Boise, Idaho, would need to earn \$29.38 per hour to support themselves and one child. The same worker would need to earn \$33.95 in Raleigh, North Carolina; \$31.13 in Iowa City, Iowa; \$28.94 in Pittsburgh; and \$32.24 in Tampa, Florida. Without competitive pay that is sufficient to cover basic needs, the government cannot expect to attract and retain high-quality workers to perform critical and sensitive tasks on government contracts.

Fortunately, President Biden recently instructed the secretary of labor to "take steps to update prevailing wage requirements." In order to abide by the intent of the law that service contractors pay decent wages and recruit skilled and dedicated workers to perform public work, President Biden should work with the U.S. Department of Labor (DOL) to eliminate loopholes that exempt contractors from coverage, extend strong standards across industries, and prevent corporations from misclassifying workers into jobs with lower pay and benefits.

For example, prevailing wage rules are often applied in a way that unnecessarily and wrongly excludes certain telecommunications, concessions, building maintenance, and security workers providing services for the government.<sup>29</sup> New rule-making and agency guidance should apply prevailing wage protections to as many workers as possible by narrowing or eliminating exemptions for certain types of workers or con-

tracts and by unbundling contracts that allow contractors to avoid paying prevailing wages by turning what would otherwise be a covered service contract into a portion of a larger nonservice contract that is not covered by the SCA.

Also, while the SCA provides significant latitude on how the government determines worker pay, current wage-setting practices do not uphold strong and improving market standards. Numerous cities and states do a better job of establishing wage-setting practices by pairing market data collection with protections to require that when a significant portion of workers achieve a decent wage, it becomes the standard.<sup>30</sup> The DOL should update SCA rate setting to reflect whichever is higher: the wage rate determined by existing industry surveys, the wages paid to 30 percent of workers in an industry in a locality, or the \$15 minimum wage. Additionally, wage determinations should give more consideration to the wages paid to similar government workers.

### Provide 21st-century benefits

President Biden's DOL should also ensure that contract worker benefits keep pace with rapidly increasing health care costs by issuing a variance to increase fringe benefit contribution requirements. Although the SCA requires covered employers to contribute to bona fide fringe benefit plans or to provide a cash equivalent, in recent years, increases have significantly lagged rising benefits costs.<sup>31</sup> For example, while employer premium contributions for family health coverage increased by approximately 61 percent over the past decade, the SCA fringe benefit supplement rose by only around 35 percent over the same period.<sup>32</sup>

Moreover, President Biden should make clear that some basic benefits are essential and cannot be replaced with a cash equivalent. There is precedent for this. In 2016, President Obama signed executive order 13706, requiring companies receiving federal contracts to provide up to seven days of paid sick leave annually, including leave for family care and safe leave. 33 Similarly, President Biden has announced that he will issue requirements that contractors provide workers with emergency paid leave. 34 President Biden should adopt the best practices of the Obama administration that extended sick leave protections to include caregiving for chosen family—individuals who form close bonds akin to those traditionally thought to occur in relationships with blood or legal ties—so that the emergency paid leave protections recognize diverse caregiving relationships and help meet the needs of LGBTQ individuals.35

The president should also explore ways to build on these protections, undertaking efforts to provide more comprehensive benefits, such as the amount of sick leave that can be earned and the circumstances for which it can be used, as well as to educate workers about their rights and bolster compliance with the law.

### Confirm that contract bids account for wage requirements

Finally, the Biden administration can safeguard workers and guarantee that contractors comply with these standards by evaluating whether proposed bids are sufficient to cover total contract costs. While the government requires detailed cost analyses for certain types of contracts, this sort of analysis is not typical.

In fact, the government procurement system frequently preferences the lowest bid over other measures of quality and even permits companies to bid at rates lower than overall contract costs, putting bidders that abide by the law at a competitive disadvantage and encouraging new businesses to take risks in order to enter the federal marketplace. The Low-road bidders for service contracts are particularly likely to submit unrealistic bids since workers' pay and benefits account for a large portion of total costs. The Biden administration can do a better job of ensuring upfront compliance with standards by requiring that bidders for service contracts submit detailed cost estimates and that agencies use these data to perform detailed cost analyses.

Enacting these protections will raise pay and benefits for federal contract workers and help to correct long-standing disparities across the contracted workforce based on occupational segregation. Women and Black or African American and Hispanic or Latino workers are overrepresented in many contract industries where low wages and poor benefits are commonplace, including building and administrative services, nursing care, and security services.<sup>37</sup>

Require equal workplace rights for workers with disabilities and better protect all workers from discrimination

Federal anti-discrimination rules, which ban contractors from discriminating against their employees on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, disability, or status as a protected veteran, are a powerful tool in ensuring that federal contract spending benefits Americans from all walks of life. Yet the government can go much further to provide all contract workers equal access and opportunity on the job. President Biden can act now to correct long-standing contracting rules that entrench unequal treatment for

Americans with disabilities and undo Trump administration actions that weakened anti-discrimination protections for contract workers.

### Uphold equal workplace rights for Americans with disabilities

For the better part of a century, the federal government has adopted policies allowing government contractors to segregate contract workers on the basis of disability and pay these workers at rates below the prevailing wage. President Biden can take several actions to correct these practices and ensure that workers with disabilities receive the benefit of relevant workplace law coverage, including the full scope of minimum standards regulations and federal prevailing wage laws.<sup>38</sup>

Specifically, President Biden's actions to raise the minimum wage for contract workers should apply to workers with disabilities working on contracts awarded through the federal AbilityOne Program. As President Obama did in his executive order raising the minimum wage for contract workers, President Biden should guarantee that workers with disabilities do not earn subminimum wages. In addition, the administration can go even further to ensure that Americans with and without disabilities work side by side and are paid the same wages by raising the federal contractor utilization goal for workers with disabilities from 7 percent to the 12 percent goal used for federal employee hiring, implementing a system to monitor progress toward that goal more closely, and instructing the DOL to stop granting waivers to federal contractors through the AbilityOne Program in order to pay their workers less than prevailing wages.

### Rebuild anti-discrimination protections post-Trump administration

President Biden can take steps not only to undo the harmful policies of the Trump administration but also to strengthen contractor anti-discrimination and affirmative action policies by collecting more data and improving monitoring of the contract workforce.

Already, President Biden rescinded executive order 13950, which bans government agencies and high-road federal contractors from training their workforce on racial bias, systematic racism, and their impacts in the workplace. <sup>39</sup> In an important next step, the DOL Office of Federal Contract Compliance Programs (OFCCP)—which is charged with enforcing anti-discrimination protections among federal contractors—is initiating a rule-making to return to existing protections for religiously affiliated contractors and repeal policies that permit for-profit corporations to avoid compliance with anti-discrimination protections via religious exemptions. The OFCCP should also rescind exemptions and waivers specifically for recipients of coronavirus relief funds. <sup>40</sup>

The Biden administration can also improve the government's oversight of companies with federal contracts and thereby help encourage equitable access and prevent institutionwide discrimination. President Biden has already convened a working group to review whether key government datasets are disaggregated by race, ethnicity, gender, disability, income, veteran status, or other key demographic variables and to identify barriers to getting better data. As part of this work, President Biden should restart Obama-era obligations requiring all companies with 100 or more employees to submit their compensation data broken down by race, ethnicity, and gender on an annual basis for use by enforcement agencies, including the OFCCP, to ensure compliance with the law. The administration should also review how to obtain data from federal contractors on the number, demographics, and work location of contractor and subcontractor employees.

Finally, the federal government could help improve compliance among recipients of coronavirus relief contracts and recipients of future economic recovery funds by creating a new sexual orientation and gender identity reporting requirement that contractors disclose plans for inclusive recruiting and subcontracting as part of OFCCP affirmative action plans as well as by ensuring sufficient funding and staffing to investigate violations and support efforts to make those plans a reality. In addition, the administration should grant the OFCCP the discretion to refer individual complaints to the Equal Employment Opportunity Commission if the alleged behavior violates Title VII of the Civil Rights Act. 43

# Strengthen the power of government and workers to enforce workplace rights

Enacting the reforms profiled above would go a long way toward raising standards for the contracted workforce. Yet in order for these protections to be realized, contractors must know that compliance is expected and enforced; the government must be equipped to pursue lawbreakers; and workers must be empowered to individually and collectively assert their rights.

Currently, lawbreaking among corporations that receive federal contracts is widespread, according to several government reports. <sup>44</sup> For example, about one-third of the companies with the worst wage and safety violations continued to receive federal contracts with no safeguards to require future compliance with the law, according to a 2013 report from the Senate Committee on Health, Education, Labor, and Pensions. <sup>45</sup> Evidence suggests that these problems became worse during the Trump administration. Critical enforcement agencies allowed worker complaints to backlog and did not target the industries and occupations with widespread violations; President Donald Trump even signed legislation repealing Obama-era measures to improve contractor compliance.<sup>46</sup>

### Equip the government to enforce the law

A first step in increasing contractor compliance with wage, benefit, and anti-discrimination laws is for the Biden administration to work with Congress to provide enforcement agencies, including the DOL's Wage and Hour Division, OFCCP, and Office of the Solicitor, sufficient funding and staffing to enforce these laws. <sup>47</sup> Moreover, as discussed above, better data collection on the government contractor workforce will help assist policymakers on how to most effectively implement the SCA and target sectors for enforcement.

President Biden must also provide leadership from the very top to assure that these reforms are implemented across the federal government's massive contracting infrastructure. Already, Biden has dedicated White House resources and staff to other aspects of government spending, including efforts to increase domestic purchasing and improve racial equity. <sup>48</sup> He should consider how the White House could similarly coordinate efforts to guarantee that contracted service jobs benefit workers and communities.

# Close loopholes that allow employers to undermine workers' SCA right to preserve gains won through unionization

President Biden must close regulatory loopholes that weaken the government's ability to enforce requirements on corporations. Congress amended the SCA in 1972 to prevent contractors from taking over a contract by paying wages below gains that workers had won through collective bargaining and thereby undercutting the very premise of the SCA to respect wage standards. "Fly-by-night contractors have an incentive to come in and underbid established contractors, who are bound to honor their collective bargaining agreements," warned a congressional report.<sup>49</sup>

Although the SCA, as amended, specifies that collectively bargained wage and benefit rates prevail when contract workers unionize and requires successor contractors to abide by these wage and benefit levels, loopholes in SCA regulations weaken that requirement by permitting corporations providing services in follow-on contracts to relocate and thereby evade these protections. This loophole is particularly problematic when a contract may be performed in any location—such as call center work or IT support. Despite the SCA's clear intent to support gains

won through collective bargaining, unionized contract workers in these sectors risk losing their jobs and wage protections every time a contract is rebid under current regulations. Moreover, Trump further weakened successorship standards by revoking protections that granted incumbent workers a right of first refusal when the government selects a different follow-on contractor. 50 These shortcomings not only harm incumbent workers but also diminish the quality of public services since the government loses the expertise and knowledge of experienced workers.

By reinstating Obama-era requirements that follow-on service contractors provide a right of first refusal to workers employed on the previous contracts and further requiring that follow-on work in targeted industries be performed at the same location, President Biden can uphold the promise of the SCA to support contract workers' right to come together in unions and guarantee that the law's protections are effective on contracts susceptible to relocation.

### Empower workers to take action against violators

The administration must do more to educate workers on their rights and empower them to take action against companies that violate those rights. Typically, contract workers must first understand that they are covered under enhanced contractor protections and be willing to come forward to report violations. Barriers to exercising these rights include lack of information, credible fears of being fired or otherwise retaliated against for reporting violations, and mistrust of government enforcement agencies.51

While a pro-worker, sufficiently staffed DOL can help to rebuild trust with workers, the Biden administration can expand the agency reach by partnering with nonprofit worker organizations. These nonprofit partners would train workers on their rights, inform them on how they can file complaints with the DOL, and assist workers in filing complaints or legal actions. Similarly, the Biden administration should provide worker organizations access to common areas at federal facilities in order to educate contract workers on their labor rights.

In addition, President Biden can empower workers whose rights are violated to pursue complaints in court by signing an order to ban forced arbitration agreements and class-action waivers as well as requiring contractors to maintain a just cause standard for termination.

Corporations often force employees to sign agreements requiring them to arbitrate legal disputes instead of having their day in court or even suing on a collective basis. 52 Research shows that workers win less frequently and receive lower damages through arbitration. 53 Moreover, forced arbitration and policies that coerce workers into staying quiet about discrimination have the effect of shielding discrimination from scrutiny and undermining efforts to gather the evidence needed to prove that discrimination has occurred.

Similarly, just cause employment protections can reinforce anti-discrimination protections so that workers are not fired in retaliation for asserting their rights and, thereby, encourage companies to improve management practices in ways that can also upgrade contract performance. Unless workers have access to all legal forms of redress for lost wages and benefits, contracting agencies may not know about potential legal liabilities of contractors until their ability to perform the work has been compromised.

# Advancing contracting reforms will work

By enacting the reforms detailed above, President Biden would build on best practices developed at the state, local, and, in some instances, federal level. Research shows that these reforms not only raise standards for workers but also help encourage more law-abiding companies that respect their workers to compete for contracts and provide taxpayers a good value.

For example, several localities and states, including Illinois, Minnesota, New Jersey, Connecticut, and Washington state, have adopted modern wage-setting requirements that uphold strong market standards.<sup>54</sup> Cambridge, Massachusetts, for example, requires contract bidders to submit specific price breakdowns as a way to ensure that their estimated labor costs appropriately account for wages and payroll taxes. 55 Connecticut has taken steps to ensure that all workers, regardless of their disability status, are covered by prevailing wages. 56 And local jurisdictions, including the Los Angeles Unified School District and Multnomah County, Oregon, partner with worker organizations to provide education and monitor legal compliance at contractor work sites.<sup>57</sup>

Research shows that prevailing wage standards help workers earn middleclass incomes and expand health insurance and retirement benefits coverage.<sup>58</sup> Similarly, these laws can help close racial wage gaps in the service and construction sectors. One analysis found that the income gap between African American and white construction workers' earnings would narrow by 7 percentage points if a state without a prevailing wage standard instituted such a law.<sup>59</sup>

Moreover, federal interventions to prevent discrimination among government contractors have proved successful. After President Johnson adopted affirmative action requirements for federal contractors, studies show that employment of women and Black Americans increased significantly more in contractor establishments than in noncontractor establishments. 60

Finally, fair standards for contract workers also help the government obtain a good value by boosting the overall efficiency of the contracting system and allow companies that respect their workers to compete on an even playing field.

Because they support a stable, well-qualified workforce, prevailing wage laws produce a good value for taxpayers. Numerous studies have found that wage standard laws boost worker productivity, decrease turnover, and improve service quality.61 Similarly, paid sick leave has been shown to reduce both presenteeism—workers coming to work sick and potentially infecting co-workers—and absenteeism, and it can lower the probability of job separation by at least 25 percent.<sup>62</sup>

Studies show that these laws also increase the number of bids for state contracts because they signal to good actors that they can compete for and win government contracts. 63 For example, after Maryland implemented a contractor living standard, the average number of bids for contracts in the state increased by 27 percent. Contracting companies interviewed by the state explained that the new standards encouraged them to bid on contracts because it leveled the playing field.<sup>64</sup>

### Conclusion

For more than a century, federal policymakers have used the power of government spending to uphold fair standards for workers, ensure that taxpayers receive a good value, and support the vast majority of businesses that respect their workers and play by the rules. Over time, Americans' standard of what makes a decent job has evolved to include fair pay, a host of needed benefits, a voice on the job, and access and opportunity for workers from all walks of life. Progressive policymakers have worked to ensure that the government, in its role as employer, upholds its promise to keep up with these standards.

President Biden has already demonstrated a commitment to modernizing the contracting system to reflect high-road market practices of the 21st century. By adopting the recommendations put forth in this report, the new administration can fulfil these commitments to service contract workers doing the essential work of the government.

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