

105TH CONGRESS
2D SESSION

H. R. 3700

To amend title 31, United States Code, to require the provision of a written prompt payment policy to each subcontractor under a Federal contract and to require a clause in each subcontract under a Federal contract that outlines the provisions of the prompt payment statute and other related information.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1998

Mr. WYNN introduced the following bill; which was referred to the Committee on Government Reform and Oversight

A BILL

To amend title 31, United States Code, to require the provision of a written prompt payment policy to each subcontractor under a Federal contract and to require a clause in each subcontract under a Federal contract that outlines the provisions of the prompt payment statute and other related information.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prompt Payment Im-
5 provement Act of 1998”.

1 **SEC. 2. REQUIREMENT TO PROVIDE CERTAIN PROMPT PAY-**
2 **MENT INFORMATION TO FEDERAL CONTRAC-**
3 **TORS AND SUBCONTRACTORS.**

4 (a) REQUIREMENT TO PROVIDE PROMPT PAYMENT
5 INFORMATION TO SUBCONTRACTORS.—(1) Chapter 39 of
6 title 31, United States Code, is amended by adding at the
7 end the following new section:

8 **“§ 3908. Requirements to provide prompt payment in-**
9 **formation to contractors and subcontrac-**
10 **tors**

11 “(a) REQUIREMENT TO PROVIDE PROMPT PAYMENT
12 POLICY TO CONTRACTORS AND SUBCONTRACTORS.—The
13 Director of Office of Management and Budget shall set
14 forth in writing the prompt payment policy applicable to
15 subcontractors under Federal contracts. The head of each
16 agency shall—

17 “(1) provide a copy of such policy to each con-
18 tractor awarded a contract by the agency; and

19 “(2) require the contractor to provide a copy of
20 the policy to each of its subcontractors under the
21 contract.

22 “(b) CONTRACT CLAUSE.—The head of each agency
23 shall require each contractor awarded a contract by the
24 agency to include in each subcontract awarded under the
25 contract a clause containing the following information:

1 “(1) The requirements and penalties of this
2 chapter of this title relating to the obligations of the
3 Federal Government and prime contractors in mak-
4 ing timely progress payments.

5 “(2) The name and phone number of a senior
6 employee of the contractor who has the authority to
7 discuss and resolve progress payment questions.

8 “(3) The obligations, under section 15(k)(5) of
9 the Small Business Act (15 U.S.C. 644(k)(5)), of
10 the Office of Small and Disadvantaged Business
11 Utilization of the agency in assisting small business
12 contractors and subcontractors in receiving prompt
13 progress payments.”.

14 (2) The table of sections at the beginning of such
15 chapter is amended by adding at the end the following
16 new item:

 “3908. Requirements to provide prompt payment information to contractors and
 subcontractors”.

17 (b) EFFECTIVE DATE.—Section 3908 of title 31,
18 United States Code, as added by subsection (a), shall take
19 effect on October 1, 1998.

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