Subpart 522.3 - Contract Work Hours and Safety Standards Act

Parent topic: Part 522 - Application of Labor Laws to Government Acquisitions

522.302 Liquidated damages and overtime pay.

(a) *Contracting officer's responsibilities*.

(1) Provide instructions to the appropriate Finance Office whether to withhold funds from contract payments pending final administrative determination.

(2) Notify the Finance Office of your final decision to assess liquidated damages.

(3) After final decision, provide instructions to either immediately release to the contractor any funds in excess of the amount specified in your decision or initiate the collection of additional funds (see paragraph (c) of this section).

(4) Advise the contractor in writing of any decision to withhold funds, including the reasons for the withholding, and the amount held to satisfy the contractor's liability for unpaid wages and liquidated damages. Coordinate all written communications with the contractor, including the notification of dispute resolution procedures under the Department of Labor's regulations at 29 CFR Parts 4 through 8, with the Office of Regional Counsel.

(b) *Procedures for the collection of liquidated damages*.

(1) Initiate collection action by either:

(i) Withholding funds from payments due on the contract.

(ii) Issuing a demand for payment, if no funds were withheld or the amount withheld was less than the liquidated damages.

(2) Indicate in the demand letter the intent to offset from the contractor's other Government contracts if payment is not made.

(3) Provide the Finance Office with a:

(i) Copy of the demand letter.

(ii) Request that it initiate collection action under 41 CFR 105-55, Collection of Claims Owed the United States, if payment is not made in accordance with the demand letter.

(c) Review 502.101, to determine who the agency head is for purposes of FAR 22.302(c) (Chapters 13(2)(f) and 17(5)(a)).