



Councilmember Matthew Frumin

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to amend the Procurement Practices Reform Act of 2010 to require the Office of Contracting and Procurement to process requests for the equitable adjustment of homeless services contracts within 45 days.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Homeless Services Contract Adjustment Emergency Declaration Resolution of 2026”.

Sec. 2. (a) The Service Contract Act (SCA) (codified at 41 U.S.C. § 351 *et seq.*) requires District contractors and subcontractors to provide service employees like security guards, cooks, and janitors with the wages and fringe benefits the Department of Labor (“Labor”) finds to be prevailing in the District. A clause requiring compliance with the SCA is a standard provision in District contracts, including agreements to provide homeless services like emergency shelter.

(b) Following oversight by the Committee on Human Services, the Executive found the fringe benefits of at least one homeless services subcontractor to be out of compliance with the SCA. The Department of Human Services (DHS) subsequently reminded homeless services providers of the SCA payment obligations in their contracts. Several providers contend this

communication was the first indication from the Executive that SCA compliance was required and that the SCA had not been discussed during the procurement process.

(c) After DHS's reminder, some providers of homeless services found their payment practices, and the payment practices of their subcontractors, to be inconsistent with the SCA. The costs of compliance have surprised providers and threatened some organizations' financial integrity. Potential system-wide impacts are significant. For example, a recent survey of affected providers found that full compliance with the SCA may impose, in calendar year 2026 alone, more than \$3.9 million in costs above previously budgeted wage and benefit levels. Some providers describe the discovery of the costs imposed by the SCA as an emergency that has led to reductions in services, including less robust shelter security and less frequent cleanings of common areas. The Committee on Human Services has received significant outreach from providers and clients on the impact of increased awareness of the SCA, including photographs of unsanitary shelter conditions and the elimination of already strained case management staff.

(d) Although the District cannot excuse compliance with the SCA, providers may, through the Office of Contracting and Procurement (OCP), seek equitable adjustments of their contracts to account for changes in the prevailing wage determinations issued by Labor. Because the required wage and benefit rates have increased so quickly, the equitable adjustment process could offer providers significant relief. Family shelter contracts recently submitted to the Council required compliance with a wage determination revision dated May 14, 2026. Since that revision, the governing wage determination has increased twice. In only three months, the health and welfare rate that covers employees' fringe benefits increased 6.7 percent, from \$962.00 a month to \$1,026.13 a month. The minimum hourly wage for a janitor increased from \$17.84 to \$18.19 over that same period. Between August and May, then, the annual cost of each full-time janitor

increased by \$1,497.56: \$728.00 in salary and \$769.56 in fringe. The equitable adjustment process may account for these costs if providers pursue it.

(e) To avoid further reducing staff and services, and thereby compromising the health and safety of unhoused residents, providers need immediate financial relief. Emergency legislation is necessary to ensure they can secure any equitable adjustments to which they may be entitled quickly and with the certainty of a guaranteed timeline.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Homeless Services Contract Adjustment Emergency Amendment Act should be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.