



Executive Order 14042 Requirements for COVID-19 Vaccination of Federal Contractors

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On September 9, 2021, President Joseph R. Biden, Jr., issued Executive Order (E.O.) 14042 requiring parties contracting with the federal government to provide adequate COVID–19 safeguards for their workers. Federal contracts and contract-like instruments (jointly *contracts*) must now include a clause compelling most contractors and subcontractors (at any level) to comply with prescribed COVID-19 workplace safety requirements for the duration of contracted work. Such requirements include a mandate for certain federal contractor employees to be vaccinated against COVID-19 by January 18, 2022, allowing for exceptions only as required by law. This requirement is distinguishable from similar efforts, such as the proposed Department of Labor (DOL) Occupational Safety and Health Administration (OSHA) COVID-19 vaccination rule that would apply to employers with 100 or more employees—see also CRS Legal Sidebar LSB10662, *Federal COVID-19 Vaccination Mandates and Related Litigation: An Overview*, by Wen W. Shen, for a summary of these efforts.

Legal challenges have paused enforcement of the mandate while litigation is ongoing.

Scope and Effect of E.O. 14042

E.O. 14042 uses a July 22, 2021, proposed DOL rule to define a *contract* as "an agreement between two or more parties creating obligations that are enforceable or … recognizable at law." The requirements of E.O. 14042 apply to any "workplace locations … in which an individual is working on or in connection with a Federal Government contract."

E.O. 14042 applies to new contracts and solicitations; extensions or renewals of existing contracts; and exercises of option periods for existing contracts, where the contract is entered into, extended, or renewed on or after October 15, 2021—or a contract option period is exercised on or after October 15, 2021.

The terms of the order apply only if a contract is

- for services, construction, or a leasehold interest in real property;
- covered by the McNamara-O'Hara Service Contract Act (SCA);
- for concessions, including any concessions contract excluded by DOL regulations implementing the SCA; or

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E.O. 14042 does not apply to

- grants;
- contracts and agreements with Indian tribes under the Indian Self-Determination and Education Assistance Act;
- contracts or subcontracts valued equal to or less than the simplified acquisition threshold;
- employees who perform work outside the United States or its outlying areas; or
- subcontracts solely for the provision of products.

Vaccination Terms

Per the Safer Federal Workforce Task Force (the *Task Force*) guidance, contractors must ensure that covered employees are fully vaccinated no later than January 18, 2022. A *covered employee* is "any full-time or part-time employee ... working on or in connection with a covered contract or working at a covered ... workplace," including "employees ... who are not themselves working on or in connection with a covered contract." A *covered workplace* is "a location controlled by a ... contractor at which any employee ... working on or in connection with a covered contract is likely to be present" during a contract's period of performance, with employees' places of residence excluded from this definition.

Fully vaccinated status starts two weeks after the second COVID-19 vaccine dose in a two-dose vaccine regimen, or two weeks after a single-dose vaccine. Individuals are fully vaccinated if they received vaccines currently approved or authorized for emergency use by the FDA, or if they received vaccines that have been listed for emergency use by the WHO. Unvaccinated individuals previously infected with COVID-19 are not considered fully vaccinated. Employees must provide proof of vaccination status to their employer, who must review the documentation.

The Task Force guidance does not include an option for regular testing for individuals not vaccinated against COVID-19. Individuals may obtain an accommodation through their employer if they are "not vaccinated against COVID-19 because of a disability (which would include medical conditions) or because of a sincerely held religious belief, practice, or observance." Requests for medical accommodations or exceptions are to be treated as requests for disability accommodations; a Task Force FAQ for contractors provides general guidelines for handling accommodations for sincerely held religious beliefs, practices, or observances.

Implementation

The Biden Administration indicated that the OSHA rule requiring vaccinations will not be applied to workplaces subject to the federal contractor requirements.

The Federal Acquisition Regulatory Council (FARC) issued a memorandum providing guidance to agencies, including the required contract clause, on September 30, 2021. In effect, this memorandum directs each agency subject to E.O. 14042 to issue its own related interim guidance. This resulted in varying interpretations of applicability thresholds and effective dates by agencies. The FARC may conduct a standard rulemaking process later to provide formal regulations and additional direction for agencies.

On November 30, 2021, a U.S. district court ruling enjoined enforcement of the COVID-19 vaccine mandate for federal contractors in the states of Kentucky, Ohio, and Tennessee. On December 7, 2021, a

second U.S. district court ruling enjoined nationwide enforcement of the COVID-19 vaccine mandate. The Office of Management and Budget (OMB) issued related guidance indicating that the U.S. government would not enforce contractual clauses implementing E.O. 14042 within the United States and outlying areas while litigation is ongoing.

Congressional Considerations

In contemplating the impact of E.O. 14042 on federal procurement, should it withstand judicial review, Congress may consider the following selected oversight issues:

- While major federal contractors intend to comply with the vaccination requirement, reports indicate that some employees may not comply. Congress may seek to weigh the appropriate balance between the executive branch working to promote the health and safety of a skilled contractor workforce via the enforcement of additional workforce safety protocols and the possibility of some degree of attrition due to noncompliance.
- While industry is generally supportive of the requirement, some entities also raised questions. Common themes include requests for definitional clarifications; accommodation of cost increases or schedule slips; compliance obligations and enforcement; and the potential for associated economic hardship, exacerbation of workforce shortages, and a decrease in the number of contractors—particularly small businesses and non-traditional contractors—competing for federal contracts.
- While the nationwide injunction will remain in place for the foreseeable future, some question how the Task Force guidance may interact with state-level bans on employers levying vaccine mandates, or other types of related state and local mandates, if E.O. 14042 withstands judicial review. Although the Task Force asserts that the "requirements are promulgated pursuant to Federal law and supersede any contrary State or local law or ordinance," others point to further legal challenges that may continue to delay or impede the enforcement of the vaccination requirement.

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