

# House and Senate Restaurants: Current Operations and Issues for Congress

### name redacted

Analyst in American National Government

January 5, 2018

**Congressional Research Service** 

7-.... www.crs.gov R44601

## Summary

Dining facilities in the Capitol and in House and Senate office buildings provide an essential convenience for Members of Congress and congressional staff, enabling them to easily obtain meals, beverages, and snacks, and quickly return to work. By providing an efficient way to meet congressional dining needs during unpredictable workdays, the restaurant systems help facilitate the legislative and representational work of Congress. These restaurants also provide spaces for constituents and other visitors to meet with staff and Members of Congress, or simply to purchase refreshments. House and Senate restaurant services are also available to provide catering to Members of Congress when they host events on Capitol grounds. The restaurants remain a subject of ongoing congressional interest, as many Members and staff visit them on a daily basis.

Those involved with restaurant administration in the House and Senate have often considered how management choices affect operating costs, services available, oversight, and other elements of the restaurant systems. For much of their histories, the House and Senate operated their own restaurants, but since 1994 in the House and since 2008 in the Senate, private vendors have run the restaurants. In August 2015, the House entered an agreement with Sodexo to operate the 17 facilities in the House restaurant system, subject to direction from the Chief Administrative Officer (CAO) and the Committee on House Administration. In December 2015, the Senate entered a new contract with Restaurant Associates to operate the 12 facilities in the Senate restaurant system, subject to direction from the Capitol (AOC) and the Committee on Rules and Administration.

Many argue that this professional restaurant management experience is necessary to meet the variety of customer needs in the House and Senate restaurants in a cost-effective manner. Today, there are a number of nearby eateries that compete with the congressional restaurants for customers. Often, an advantage the House and Senate restaurants are able to provide is convenience for Members, staff, and visitors. This advantage, however, may be undermined if the restaurants are not responsive to customer input and are unable to provide consistent food quality, sufficient variety, or reasonably priced service, relative to their competitors.

Food and price issues, along with other day-to-day operational issues, including personnel matters, are largely the responsibility of the restaurant contractors. Some Members and observers have raised concerns about the degree of accountability for the House and Senate restaurant contractors, believing that the restaurants' administration reflects upon Congress and that the restaurants should set an example for other businesses to follow. Although the House and Senate are responsible for restaurant oversight, the delegation of restaurant operations to private contractors means the chambers have less control over employee wages and benefits, procurement, or other business decisions that affect the restaurant systems.

The combination of entities involved in House and Senate dining operations creates a unique organizational arrangement, unlike other institutional dining systems. Other features of Congress also distinguish the House and Senate restaurants from similar-seeming restaurant operations. The restaurants' business volume, for example, is highly contingent on the congressional calendar, consisting of a fairly constant weekday breakfast and lunch business, but experiencing substantial, and sometimes unexpected, decreases if Congress adjourns for a recess. Information specific to the House and Senate restaurant systems may therefore be of particular interest to those concerned with their operations. Additional background and context on House and Senate restaurant systems for *Alderson of House and Senate Restaurants: Context for Current Operations and Issues*, by (name redacted).

## Contents

| Introduction  | , 1        |
|---|------------|
| House Restaurant System Operations  | . 1        |
| Present Vendor and Oversight for House Restaurants<br>Services Available in the House Restaurant System |            |
| Senate Restaurant System Operations   | . 4        |
| Present Vendor and Oversight for Senate Restaurants<br>Services Available in Senate Restaurants         |            |
| Issues Related to Congressional Restaurants   | . 5        |
| Financial Challenges in Operating Restaurants<br>Pricing of Menu Items                                  | . 6<br>. 8 |
| Meeting Evolving Expectations for Quality and Services  |            |
| Maintenance of Restaurant Facilities  |            |
| Oversight and Restaurant Management   |            |
| Employee Salaries and Benefits  |            |
| House Restaurant Employee Wages and Union   | 11         |
| Senate Restaurant Employee Wages and Interest in Unionizing   | 12         |
| Department of Labor Investigation of Senate Job Title Changes   | 14         |
| Concluding Observations   | 15         |

### Tables

| Table 1. Facilities Included in the House Restaurant System  | . 3 |
|--|-----|
| Table 2. Facilities Included in the Senate Restaurant System | . 5 |

### Contacts

| uthor Contact Information 16 |
|------------------------------|
|------------------------------|

## Introduction

On a daily basis, the restaurants, cafeterias, and carryout facilities operated by the House of Representatives and the Senate serve Members of Congress, congressional employees, constituents, and other visitors to the Capitol, House office buildings, and Senate office buildings. The House and Senate restaurant systems have existed since the early 1800s and have grown and modernized over time.<sup>1</sup> Although many of their services may seem similar, food operations are separately administered and managed for the House, for the Senate, and for the Capitol Visitor Center (CVC). By meeting congressional dining needs during workdays that frequently can be unpredictable, the restaurant systems help facilitate the legislative and representational work of Congress. Because many Members and staff visit these restaurants every day, they remain a subject of ongoing congressional interest.

## **House Restaurant System Operations**

#### Present Vendor and Oversight for House Restaurants

Since 1994, the House restaurants have been operated by a private vendor, with oversight provided by the House. Under the Rules of the House of Representatives, the House restaurants fall under the jurisdiction of the Committee on House Administration,<sup>2</sup> which delegates much of the daily oversight and financial management of the restaurant system to the Chief Administrative Officer (CAO) of the House.<sup>3</sup> On June 9, 2015, the CAO announced that Sodexo Government Services would be the new food service provider for the House. The contract with Sodexo is for an initial term of four years. Starting in 2019, six two-year options may extend the contract for up to 12 additional years.

A comprehensive survey of House food service needs, based on analysis of restaurant records, and the experiences of secret shoppers, focus groups, and surveys, had been commissioned during the fall of 2013 to help inform the vendor selection process.<sup>4</sup> The CAO issued a request for proposals (RFP) for vendors interested in running any or all of the House restaurants in October 2014.<sup>5</sup> Prospective contractors were notified that "the House will have no financial responsibility or liability under the terms of the contract," and that the contractor selected would pay the House a monthly commission, determined by an agreed upon percentage of gross receipts.<sup>6</sup> The CAO encouraged ideas from vendors to improve operations in the Members' dining room and also initiated service schedule changes. Food service providers would not be required to operate the

<sup>6</sup> Ibid., p. 2.

<sup>&</sup>lt;sup>1</sup> For additional background, see CRS Report R44600, *History of House and Senate Restaurants: Context for Current Operations and Issues*, by (name redacted).

<sup>&</sup>lt;sup>2</sup> House Rule X, cl.1(k)(13), §724.

<sup>&</sup>lt;sup>3</sup> House Rule II, cl.4(a), §661.

<sup>&</sup>lt;sup>4</sup> U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, Appendix §J.18 – "Food Consultant Report," at https://www.fbo.gov/utils/view?id=1751a8ddb610f8dce4cadac5e7dc9143.

<sup>&</sup>lt;sup>5</sup> For the CAO request for proposal, as well as additional notifications and materials, see U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, at https://www.fbo.gov/index?s= opportunity&mode=form&id=aa5e823b39761d877e12d3acf26d4b6a&tab=core&\_cview=1.

Members' dining room when late votes were scheduled in the evenings, on weekends, or on holidays, and instead, the room would be available for hosting catered events.<sup>7</sup>

To address some of the suggestions from the 2013 food service study, the RFP required that contractors include three-tier pricing strategies (value, standard, and premium) for all areas except vending. Once prices were set, any price increases would be prohibited for the first two years of service. Vendors were also required to introduce a minimum of two branded eatery concepts that would suit the needs of House customers.<sup>8</sup> Catering requirements and responsibilities for different locations in the Capitol and office buildings were detailed, and the new contractor would be expected to "successfully execute events with less than four (4) hours' notice."<sup>9</sup> The new contractor would be required to conduct at least one formal focus group per year to help ensure long-term customer satisfaction and was encouraged to "utilize a variety of assessment tools" to appraise customer service.<sup>10</sup>

Individuals from outside of the CAO's office were included on the panel that reviewed and evaluated vendor proposals, and the panel also included a staff member from a Member office. To aid in the service transition, once Sodexo was chosen as the new vendor, it designated a community relations officer, a position unique to its House operation, to help address comments and resolve problems raised by House dining patrons. It is not publicly known whether or not the past provider, Restaurant Associates, submitted a bid to renew its contract. Sodexo assumed its responsibilities as the House vendor on August 7, 2015, and immediately began renovations and other changes related to the transition, some of which continued in 2016.

### Services Available in the House Restaurant System

Currently, 10 dining areas and carryouts in the House of Representatives and the House office buildings are operated by Sodexo as part of the House food services.<sup>11</sup> Additionally, Sodexo is responsible for in-house catering services and vending machines for the House.<sup>12</sup> Sodexo introduced SoGo Cash Cards, a new form of payment, for House staff to use in the House cafeterias. The cards are available at the cash registers of the dining facilities, can be reloaded with funds online, and provide a reward program regular customers may enroll in.<sup>13</sup> All the House food service facilities, including the vending machines, are required to accept all major credit and debit cards,<sup>14</sup> and many vending machines also accept Apple Pay and Google Pay.<sup>15</sup>

<sup>&</sup>lt;sup>7</sup> Evening service would be required, however, on the night of the State of the Union Address, and if any Joint Session of Congress was scheduled for an evening. Ibid., p. 11.

<sup>&</sup>lt;sup>8</sup> Ibid., pp. 3-4.

<sup>&</sup>lt;sup>9</sup> Ibid., pp. 13-15.

<sup>&</sup>lt;sup>10</sup> Ibid., p. 7.

<sup>&</sup>lt;sup>11</sup> Bridget Bowman, "Sodexo Named New House Food Service Vendor," Roll Call, June 9, 2015.

<sup>&</sup>lt;sup>12</sup> e-Dear Colleague letter from Ed Cassidy, Chief Administrative Officer of the House, "New House Food Service Provider," June 9, 2015. At the time bids were solicited from new vendors, 93 vending machines were also a part of the restaurant systems.

<sup>&</sup>lt;sup>13</sup> "Quick Pay ends August 7," Dining Services Announcements, First Call, August 7, 2015, at

https://housenet.house.gov/campus/dining-services/announcements/quick-pay-ends-august-7; "SoGo Cards Available," Dining Services Announcements, First Call, August 31, 2015, at https://housenet.house.gov/campus/dining-services/ announcements/sogo-cards-available.

<sup>&</sup>lt;sup>14</sup> U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, p. 17, at https://www.fbo.gov/index?s=opportunity&mode=form&id=aa5e823b39761d877e12d3acf26d4b6a&tab=core&\_cview=1.

The facilities operated under the House restaurant system are listed in **Table 1**. With the arrival of Sodexo in 2015, the CAO announced several major changes to House dining operations, including the following:

- For lunch and dinner, the Members' dining room would replace a la carte service with a buffet.
- The introduction of an online system that allows users to preorder their food items and pick them up in the Longworth Cafeteria.
- The replacement of some eateries with popular branded restaurant concepts. Longworth Creamery would become Dunkin' Donuts/Baskin Robbins, the Rayburn Deli would become Subway, and Jamba Juice smoothies would be sold in Rayburn.<sup>16</sup>

Members of the House Appropriations Subcommittee on Legislative Branch expressed continuing concerns about food quality, high prices, and poor service in the House restaurants under Sodexo during the House of Representatives FY2018 budget hearing in May 2017. At the hearing, the CAO stated that a quality assurance surveillance team, comprised of five CAO employees, had been created to continually appraise contractor performance in a number of areas. According to the CAO, observations and feedback from the surveillance team during its first two months had led to some improvements in food quality and changes in restaurant management personnel. A new chef was brought in to the Members' dining room and some table service was reintroduced in response to feedback.<sup>17</sup>

| Building    | Location | Dining Facility                  |
|-------------|----------|----------------------------------|
| The Capitol | H-117    | Members' Dining Room             |
|             | HB-9A    | Capitol Market                   |
|             | HB-24    | Vending Area                     |
| Cannon      | 138A     | Sodexo Mini Market/Cannon Twelve |
|             | B108     | Vending Area                     |
| Longworth   | B223     | Longworth Café                   |
|             | B224A    | Dunkin' Donuts/Baskin Robbins    |
|             | B224B    | Longworth Twelve                 |
|             | B224A    | Vending Area                     |
| Rayburn     | B357     | Rayburn Café                     |
|             | B326     | Subway                           |
|             | B367     | Vending Area                     |

#### Table 1. Facilities Included in the House Restaurant System

(...continued)

<sup>15</sup> "Vending," HouseNet, September 11, 2015, at https://housenet.house.gov/campus/dining-services/vending.

<sup>16</sup> "Creamery Closes Friday," Dining Services Announcements, First Call, August 3, 2015, at https://housenet.house.gov/campus/dining-services/announcements/creamery-closes-friday.

<sup>&</sup>lt;sup>17</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch, *House of Representatives: FY2018 Budget*, hearing, 115<sup>th</sup> Cong., 1<sup>st</sup> sess., May 17, 2017, available at https://appropriations.house.gov/calendararchive/eventsingle.aspx?EventID=394870.

| Building | Location | Dining Facility |
|----------|----------|-----------------|
| Ford     | H2-135   | Ford Café       |
|          | H2-126   | Ford Twelve     |
|          | 124      | Vending Area    |

**Source:** Sodexo, *United States House of Representatives*, dining services website, at https://thehouse.misofi.net/. **Notes:** This list does not include on-site catering services, which are also a part of the House Restaurant System and are presently operated by Sodexo.

### **Senate Restaurant System Operations**

#### Present Vendor and Oversight for Senate Restaurants

Since 2008, food services in the Senate have been provided by a private contractor, under the jurisdiction of the AOC and subject to policy directives from the Committee on Rules and Administration.<sup>18</sup> Rule XXV of the Standing Rules of the Senate grants the committee authority over "Services to the Senate, including the Senate restaurant."<sup>19</sup> The food service vendor selected for the Senate in 2008 was Restaurant Associates, part of Compass Group, which was selected again under a new seven-year contract, signed December 18, 2015.<sup>20</sup> A 2016 Department of Labor investigation revealed wage-related infractions that could lead to contract renegotiations sooner than 2022.<sup>21</sup>

Under current arrangements, additional food vendors may be subcontracted to provide some Senate restaurant services. In 2012, for example, requests to bring kosher meals to the Dirksen cafeterias were ultimately fulfilled by Bubbie's Gourmet; the decision was authorized by the Senate Rules and Administration Committee, and Restaurant Associates was responsible for selecting the subcontractor and overseeing its operations.<sup>22</sup> In 2001, a coffee shop and cafe owned by a local family, Cups & Company, opened in the Russell Senate Office Building and remains independently operated.<sup>23</sup>

<sup>&</sup>lt;sup>18</sup> U.S. Congress, Senate Committee on Rules and Administration, *U.S. Senate Handbook*, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., October 2010, pp. I-72 - I-73.

<sup>&</sup>lt;sup>19</sup> U.S. Congress, Senate Committee on Rules and Administration, *Authority and Rules of Senate Committees, 2015-2016, A Compilation of the Authority and Rules of Senate and Joint Committees, and Related Materials*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., Doc. 114-6 (Washington: GPO, 2015), p. 189.

<sup>&</sup>lt;sup>20</sup> Rema Rahman and Bridget Bowman, "Senate Food Workers Press Case on Wages," *Roll Call*, March 16, 2016.

<sup>&</sup>lt;sup>21</sup> Testimony of Architect of the Capitol Stephen T. Ayers, in U.S. Congress, Senate Committee on Appropriations, Subcommittee on Legislative Branch, *Hearing to Review Library of Congress and Architect of the Capitol FY2017 Budget Request*, 114<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 15, 2016; U.S. Department of Labor, Wage and Hour Division, "US Labor Department Investigation Finds Capitol Hill Cafeteria Workers Illegally Denied More than \$1M in Wages By Federal Food Service Contractors," press release, July 26, 2016, https://www.dol.gov/newsroom/releases/whd/ whd20160726/.

<sup>&</sup>lt;sup>22</sup> Emma Dumain, "Dirksen Introduces Kosher Options," *Roll Call*, January 24, 2012; Judy Kurtz, "Lieberman Can't Wait to Try Dirksen's New Kosher Nosh," *The Hill*, January 26, 2012. The Architect of the Capitol also notes that in addition to Restaurant Associates, KSC, Inc., also provides food service for the Senate; see "Senate Restaurants," at http://www.aoc.gov/senate/restaurants.

<sup>&</sup>lt;sup>23</sup> In its original arrangement to open the Russell cafe, Cups & Company agreed to pay a portion of its revenue to the Senate as an operating commission. Suzette Nelson, "Thanks a Latte: Senate Gets Privately Run Coffee Shop," *Roll Call*, January 18, 2001; Bree Hocking, "Senate's Cups & Co. Is Brimming With Success," *Roll Call*, February 12, 2003; Judd Gregg, "Opinion: Capitalism Works in the Capitol," *The Hill*, July 30, 2012, at http://thehill.com/opinion/ (continued...)

#### Services Available in Senate Restaurants

In the Senate and its office buildings, 12 dining areas and carryouts are operated as a part of the Senate Restaurant System, along with additional vending areas. The facilities included in the Senate Restaurant System are listed in **Table 2**. Restaurant Associates also provides in-house catering services, including a "Café to Go" option that can serve groups of 40 or less with advance notice of 24 hours.

| Building    | Location   | Dining Facility               |
|-------------|--|-------------------------------|
| The Capitol | S-110  | Senate Dining Room            |
|             | S-113  | Senators' Private Dining Room |
|             | S-112A   | Refectory                     |
|             | SB-10A   | Senate Carryout               |
| Dirksen     | SD-G20   | "Canteen" Vending Area        |
|             | SDB-R7   | Dirksen North Cafe            |
|             | SDB-RE   | The Coffee Shop               |
|             | SDB-RB   | Southside Buffet              |
|             | SDG-21; Dirksen/Hart<br>Connecting Corridor          | American Grill                |
|             | SDG-21A  | Inside Scoop Frozen Yogurt    |
| Hart        | Ground Floor;<br>Dirksen/Hart Connecting<br>Corridor | Hart Sundry Shop              |
| Russell     | SR-B65   | Cups & Company                |

 Table 2. Facilities Included in the Senate Restaurant System

**Source:** U.S. Congress, Senate Committee on Rules and Administration, U.S. Senate Handbook, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., October 2010, pp. I-73 - I-75; "U.S. Senate," Restaurant Associates, https://radining.compass-usa.com/ ussenate/Pages/Home.aspx.

**Notes:** This list does not include on-site catering services, which are also a part of the Senate Restaurant System and are presently operated by Restaurant Associates.

### **Issues Related to Congressional Restaurants**

Some of the issues affecting the restaurant systems are unique to the House and others are unique to the Senate, resulting from the fact that each chamber administers its own restaurant services. Other issues affect the restaurants in both chambers or are typical challenges in any food service operation. This section focuses on current issues related to the congressional restaurants, but many of the challenges the House and Senate restaurants face today are similar to issues they have faced in the past. For more background on these topics, see CRS Report R44600, *History of House and Senate Restaurants: Context for Current Operations and Issues*, by (name redacted).

<sup>(...</sup>continued)

columnists/judd-gregg/240915-opinion-capitalism-works-even-in-capitol; Alex Gangitano, "Cups to Remain in Russell," *Roll Call*, November 20, 2017, at https://www.rollcall.com/news/hoh/cups-to-remain-in-russell/.

#### **Financial Challenges in Operating Restaurants**

Throughout history, the House and Senate restaurants have faced financial challenges. In part, this is a consequence of the operating practices adopted by the House and Senate restaurants tending to reflect the needs of Congress, even when these choices sometimes hurt the ability of the restaurants to break even. This approach illustrates the view that the restaurants should operate as a necessary service rather than a profit-generating enterprise—a perspective that originated with the earliest congressional restaurants in an underdeveloped Washington, DC, and persisted long after.<sup>24</sup> Although more dining options exist in the Capitol Hill neighborhood today, the dining facilities in the Capitol and congressional office buildings often remain a more convenient option for Members, staff, and visitors.

The operating hours of the House and Senate restaurants are one factor that, historically, have contributed to their financial challenges. The House and Senate restaurants, for example, operate primarily for breakfast and lunch service during weekdays, whereas some claim that typical restaurants often rely on dinner service and weekend customers to generate much of their revenue.<sup>25</sup> The cost of labor associated with staffing the restaurants during nonpeak operating hours has often been a significant expense for the restaurant systems.<sup>26</sup> While the restaurants were under congressional management during much of the 20<sup>th</sup> century, their finances were particularly affected by legislative measures that established the wages and benefits of federal or congressional employees.<sup>27</sup>

Some dining establishments in each chamber have been consistently more profitable than others.<sup>28</sup> Eateries that serve a smaller number of patrons, close when Congress is out of session,

<sup>&</sup>lt;sup>24</sup> For example, in 1921, the Architect of the Capitol, Elliot Woods, conceded that the goal for the restaurant should not be for it to turn a profit, but to give "service at cost." See "Old-Fashioned Bean Soup Tickles Palates of Members of House," *Evening Star*, December 12, 1921, p. 2; see also Rep. Clare Eugene Hoffman, "Food Facilities of the House of Representatives," *Congressional Record*, remarks in the House, vol. 100, part 11 (July 30, 1954), p. 14842; "Food Service Workers Dispute Ends, Private Contractor Wins," *Federal Times*, vol. 22 (December 22, 1986), p. 16.

<sup>&</sup>lt;sup>25</sup> U.S. Congress, House Committee on Rules and Administration, *Subcommittee Report from Senator Jordan*, committee business, executive session, 87<sup>th</sup> Cong., 1<sup>st</sup> sess., April 26, 1961 (Washington: Ward & Paul, 1961), p. 19; U.S. Congress, Senate Committee on Appropriations, *Legislative Appropriation Bill*, *1965*, report to accompany H.R. 10723, 88<sup>th</sup> Cong., 2<sup>nd</sup> sess., July 24, 1964, p. 319; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch, *Legislative Branch Appropriations for 1970*, hearings on H.R. 13763, 91<sup>st</sup> Cong., 2<sup>nd</sup> sess., June 10-11, 17-19, July 15, 17-18, 21, 29, 1969, pp. 507-508.

<sup>&</sup>lt;sup>26</sup> Sometimes, the restaurants would pay employees during longer recesses, even when the restaurants were closed as an attempt to ensure that the employees would not find other jobs during the break and be unavailable to return to work once the House or Senate returned to work. U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, *Legislative Branch Appropriations Bill, 1948*, 80<sup>th</sup> Cong., 1<sup>st</sup> sess., May 26-28, June 3-5, 10-11, 18, 1947 (Washington: GPO, 1947), pp. 405-406.

<sup>&</sup>lt;sup>27</sup> For a few examples, see U.S. Congress, House Committee on Appropriations, Legislative Branch Appropriations Bill, 1959, report to accompany H.R. 13066, 85<sup>th</sup> Cong., 2<sup>nd</sup> sess., June 20, 1958, Report No. 1940 (Washington: GPO, 1958), p. 3; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, *Legislative Branch Appropriations for 1960*, 86<sup>th</sup> Cong., 1<sup>st</sup> sess., May 13-15, 1959 (Washington: GPO, 1959), p. 139, 141; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, *Legislative Branch Appropriations for 1970*, 91<sup>st</sup> Cong., 1<sup>st</sup> sess., June 10-11, 17-19, July 15, 17-18, 21, 29, 1969 (Washington: GPO, 1969), pp. 513-515.

<sup>&</sup>lt;sup>28</sup> When the House sought a new food services vendor to begin in 2015, the RFP cautioned that the Members' dining room "has operated under the current business model for decades and traditionally, it loses money on a routine basis." See U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, p. 5, at https://www.fbo.gov/index?s=opportunity&mode=form&id=aa5e823b39761d877e12d3acf26d4b6a&tab=core& \_cview=1. See also U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch (continued...)

or offer full table service can be more expensive to operate.<sup>29</sup> Over the years, the restaurant systems have sometimes operated at a net loss; in other years, revenue from catering or the cafeterias can help offset losses from other establishments to help the overall system break even or make a profit.<sup>30</sup>

Obtaining a complete picture of the House and Senate restaurant system finances has always been difficult, given that restaurant responsibilities have often been distributed across multiple actors. When the House and Senate managed their own restaurants, multiple congressional entities were involved in the restaurants' operation, which created challenges for obtaining a complete financial picture. Since the restaurants have been run by private contractors, many business records are not subject to the same public disclosure requirements that government entities would be. This ambiguity has sometimes led to incomplete reports about restaurant finances.<sup>31</sup> The House and Senate restaurants today receive commission-based fees from the food service providers, but more detail is unavailable, since most of the financial records regarding the restaurants are maintained by the vendors and are not publicly accessible.<sup>32</sup>

#### (...continued)

<sup>30</sup> U.S. Congress, Senate Committee on Post Office and Civil Service, *Government Services, Inc., Food Prices*, unpublished hearing, 82<sup>nd</sup> Cong., 1<sup>st</sup> sess., February 8, 1951 (Washington: Carolina Reporting Agency, 1951), pp. 71-72; U.S. Congress, Senate Committee on Rules and Administration, Subcommittee on Restaurants, Report of Proceedings: Hearing Held Before Subcommittee on the Restaurants of the Committee on Rules and Administration, Executive Session, 86th Cong., 1st sess., March 18, 1959 (Washington: Ward & Paul, 1959), p. 17; U.S. Congress, Senate Committee on Appropriations, Legislative Appropriation Bill, 1965, report to accompany H.R. 10723, 88th Cong., 2<sup>nd</sup> sess., July 24, 1964 (Washington: GPO, 1965), p. 320; U.S. Congress, Senate Committee on Appropriations, Legislative Branch Appropriations for Fiscal Year 1971, hearings before a Subcommittee of the Committee on Appropriations on H.R. 16915, 91st Cong., 2nd sess., March 17-18, April 7-8, 1970 (Washington: GPO, 1970), pp. 552-557; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Appropriations, Legislative Branch Appropriations for 1981, 96th Cong., 2nd sess., February 6, 12, 20-21, 26-27, 1980 (Washington: GPO, 1980), pp. 410-412; U.S. Congress, House Committee on House Administration, Subcommittee on Services, Pending Business, unpublished hearing, 97th Cong., 2nd sess., March 16, 1982; "Food Service Firms Look to Hill," Roll Call, June 27, 1985; Timothy J. Burger, "Senate Restaurant System Continues to Lose Money," Roll Call, October 10, 1991; Suzanne Nelson, "Thanks a Latte: Senate Gets Privately Run Coffee Shop," Roll Call, January 18, 2001; Jennifer Yachnin, "Office Closures Hurt Food Service Workers," Roll Call, November 5, 2001.

<sup>31</sup> Thomas J. Foley, "Capitol Restaurants," *Washington Post*, June 17, 1971, p. B20; Anne Laurent, "Hill Food Service Workers Continue Fight to Unionize," *Federal Times*, December 2, 1985, p. 20; Juliet Eilperin, "Senate Acts to Cut Restaurant Losses," *Roll Call*, August 17, 1995; Amy Keller, "Senate's Eateries Still In the Red: Audit Shows Loss of \$2.7 Million for Fiscal 1997," *Roll Call*, July 20, 1998; Amy Keller, "Senate Restaurants Still Mired in Debt," *Roll Call*, June 24, 1999.

<sup>32</sup> Paul Kane, "Senate Votes to Privatize Its Failing Restaurants," *Washington Post*, June 9, 2008, p. A1; Office of the Chief Administrative Officer, U.S. House of Representatives, "House to Make Nearly \$1 Million a Year on Cafeterias: Revenues Entire to Pay for Fresh Food, 'Greening,' and New Payment System," press release, July 7, 2008.

Appropriations, *Legislative Branch Appropriations Bill*, *1948*, 80<sup>th</sup> Cong., 1<sup>st</sup> sess., May 26-28, June 3-5, 10-11, 18, 1947 (Washington: GPO, 1947), p. 405; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Appropriations, *Legislative Branch Appropriations for 1962*, 87<sup>th</sup> Cong., 1<sup>st</sup> sess., May 1-4, 1961, p. 353; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Appropriations, *Legislative Branch Appropriations*, Subcommittee on Legislative Appropriations, Legislative Branch Appropriations, Subcommittee on Legislative Appropriations, Legislative Branch Appropriations, Subcommittee on Legislative Branch Appropriations, Subcommittee Optice Science Sci

<sup>&</sup>lt;sup>29</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, Legislative Branch Appropriations Bill, 1948, hearings on H.R. 3993, 80<sup>th</sup> Cong., 1<sup>st</sup> sess., May 26-28, June 3-5, 10-11, 18, 1947 (Washington: GPO, 1947), pp. 404-406; U.S. Congress, Senate Committee on Rules and Administration, Subcommittee on Restaurants, *Report of Proceedings: Hearing Held Before Subcommittee on Restaurants of the Committee on Rules and Administration*, Executive Session: Renewal of Contract on Senate Restaurant, 86<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 31, 1960 (Washington: Ward & Paul, 1960), pp. 30-33; U.S. Congress, Senate Committee on Appropriations, Subcommittee on Legislative Appropriations, Legislative Branch Appropriations for Fiscal Year 1971, hearings on H.R. 16915, 91<sup>st</sup> Cong., 2<sup>nd</sup> sess., March 17-18, April 7-8, 1970 (Washington: GPO, 1970), p. 552-557.

### **Pricing of Menu Items**

Attempts to improve House and Senate restaurant finances over the years have frequently involved food price increases.<sup>33</sup> Many of these price increases have been minimal adjustments required to keep up with increasing costs of food, energy, and labor, while others have been larger adjustments. Sometimes, the relatively small increase to revenue from price increases has not been sufficient to completely offset increased expenses.<sup>34</sup> Contract agreements with vendors sometimes prohibit price increases for a specified amount of time, which can make it difficult for vendors to adjust and compensate for unexpected increases in their operating expenses.<sup>35</sup> Thus, when price changes do occur, the restaurants are often adjusting for several years of increased costs, which can appear as a large jump to customers. In the transition to Sodexo in the House during 2015, for example, the CAO acknowledged that prices on many menu items would increase, explaining that

while prices on many items will increase when the new contract takes effect, no price increases have been approved in House food service facilities over the past six years. Bidders were required to propose pricing comparable to similar government and corporate food service facilities. The new contract limits any future increases to changes in a subset of the Producer Price Index, with a three percent annual cap.<sup>36</sup>

Complaints about restaurant prices have persisted over the history of the restaurant systems,<sup>37</sup> and the 2013 study of dining operations in the House suggested that many customers, particularly staff and visitors, remain price-conscious.<sup>38</sup> When possible, customers may be willing to trade the convenience of on-site services for off-site alternatives if the dining options in the Capitol complex are not perceived as good values.

<sup>&</sup>lt;sup>33</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, Legislative Branch Appropriations for 1960, 86<sup>th</sup> Cong., 1<sup>st</sup> sess., May 13-15, 1959 (Washington: GPO, 1959), p. 141; U.S. Congress, Senate Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, Legislative Branch Appropriations for 1970, 91<sup>st</sup> Cong., 1<sup>st</sup> sess., June 10-11, 17-19, July 15, 17-18, 21, 29, 1969 (Washington: GPO, 1969), pp. 516-519; U.S. Congress, Senate Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, Legislative Branch Appropriations for Fiscal Year 1980, Part 1—Justifications, 96<sup>th</sup> Cong., 1<sup>st</sup> sess., January 1, 1979 (Washington: GPO, 1980), p. 699; Timothy J. Burger, "Senate Restaurant System Continues to Lose Money," Roll Call, October 10, 1991; Emily Yehle, "Feinstein Warns Cafeteria Prices Could Rise," Roll Call, May 12, 2008; Jordy Yager, "House Cafeteria Prices to Go Up," The Hill, October 14, 2008.

<sup>&</sup>lt;sup>34</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, *Legislative Branch Appropriations for 1970*, 91<sup>st</sup> Cong., 1<sup>st</sup> sess., June 10-11, 17-19, July 15, 17-18, 21, 29, 1969 (Washington: GPO, 1969), p. 508; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, *Legislative Branch Appropriations for 1974*, 93<sup>rd</sup> Cong., 1<sup>st</sup> sess., February 28, March 2, 5-8, 14, 1973 (Washington: GPO, 1973), pp. 1166-1167.

<sup>&</sup>lt;sup>35</sup> The most recent RFP for House restaurant vendors, for example, stated that once prices were set, any price increases would be prohibited for the first two years the contract was in effect. See U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, p. 3, at https://www.fbo.gov/index?s=opportunity&mode= form&id=aa5e823b39761d877e12d3acf26d4b6a&tab=core&\_cview=1.

<sup>&</sup>lt;sup>36</sup> e-Dear Colleague letter from Ed Cassidy, Chief Administrative Officer of the House, "New House Food Service Provider," June 9, 2015.

<sup>&</sup>lt;sup>37</sup> Francesca Contiguglia, "Cola War: House Soda Price Hike Bubbles Into Angry E-Mail Revolt," *Roll Call*, January 19, 1998; Emily Yehle, "Campus Notebook: Boycott, Via Facebook," *Roll Call*, October 21, 2008.

<sup>&</sup>lt;sup>38</sup> U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, Appendix §J.18 – "Food Consultant Report," at https://www.fbo.gov/utils/view?id=1751a8ddb610f8dce4cadac5e7dc9143.

### Meeting Evolving Expectations for Quality and Services

In addition to reasonable prices, the House and Senate restaurants are expected to meet other customer standards, often related to food quality, nutrition, and variety. Food service vendors, through their experience in the broader restaurant industry, are often aware of current consumer interests, and the House and Senate restaurants solicit customer feedback to help ascertain what needs and values their particular customers have. When the current vendor, Sodexo, was selected for the House restaurants, the CAO acknowledged that providing quick dining options was a main priority for the restaurant service, although the quality of food, nutrition, and customer service were also considerations. The requirement for two branded restaurant concepts also reflected customer preferences.<sup>39</sup> On its website for Senate dining, Restaurant Associates continues to highlight its initiatives in "sustainability as well as social and environmental responsibility." These include its efforts to provide organic food, locally produced food, sustainable seafood, cage-free eggs, and no trans-fats.<sup>40</sup>

### Maintenance of Restaurant Facilities

To continue to meet expectations for food quality and safety, efficiency in service, and customer satisfaction, dining facilities may require more frequent updates and renovations than other areas within the Capitol complex.<sup>41</sup> Many of the most significant changes to the restaurant facilities occur during or soon after the transition to a new restaurant system vendor, but upgrades to equipment may be an ongoing concern. The age of the rooms that house dining services may present additional construction challenges and safety concerns. In January 2016, for example, the Longworth Cafeteria was evacuated and temporarily closed after several employees reported feeling ill from possible exposure to lead paint dust stirred up by ongoing nighttime kitchen renovations.<sup>42</sup>

In addition to periodic updates to the restaurants themselves, large-scale renovations are sometimes necessary to improve and maintain the Capitol, House, and Senate facilities. Any closures to particular buildings can have an impact on House and Senate restaurant services, which are spread throughout these locations. The closure of a cafeteria with a full kitchen may require additional resources for other cafeterias, or a greater reliance on prepackaged food items prepared elsewhere in the restaurant system or off-site. The Cannon Renewal Project, for example, necessitated the closure of the Cannon Café in December 2014, and it was replaced with a convenience store, Cannon Twelve, which is expected to operate until the renovation is complete.<sup>43</sup> The Longworth Cafeteria operated under limited hours and periodically closed while

<sup>&</sup>lt;sup>39</sup> Bridget Bowman, "Sodexo Named New House Food Service Vendor," *Roll Call*, June 9, 2015.

<sup>&</sup>lt;sup>40</sup> "US Senate: Balance," Restaurant Associates, at http://radining.compass-usa.com/ussenate/Pages/Balance.aspx.

<sup>&</sup>lt;sup>41</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch, *Legislative Branch Appropriations for 2015*, Part 2: Fiscal Year 2015 Legislative Branch Appropriations Requests, 113<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 4-6, 24, 2014 (Washington: GPO, 2014), p. 275.

<sup>&</sup>lt;sup>42</sup> "Message from House Sergeant at Arms," Getting Around Announcements, First Call, January 15, 2016, at https://housenet.house.gov/campus/getting-around/announcements/friday-jan-15-message-from-house-sergeant-at-arms; Rema Rahman, "Sick Workers Prompt Longworth Cafeteria Closing," *Roll Call*, January 15, 2016, at http://blogs.rollcall.com/news/sick-workers-prompt-longworth-cafeteria-closing/; Peter Hermann and Victoria St. Martin, "Eight people taken to hospitals after police find potential lead paint dust in House building cafeteria," *Washington Post*, January 15, 2016, at https://www.washingtonpost.com/local/public-safety/police-fire-investigate-suspicious-substance-at-house-building/2016/01/15/0cb4427a-bba8-11e5-b682-4bb4dd403c7d\_story.html.

<sup>&</sup>lt;sup>43</sup> The U.S. House of Representatives, Office of the Chief Administrative Officer, Office of Acquisitions Management, *House Food Service Operations*, Solicitation Number OAM 14055S, Washington, DC, October 20, 2014, at (continued...)

major renovations were undertaken between July and November of 2016.<sup>44</sup> Because many customers value convenience, the temporary reorganization of congressional office space due to renovations may also shift demand for cafeterias or carryouts from one building to another.

#### **Oversight and Restaurant Management**

The degree to which Congress can and should be involved in the daily management of the House and Senate restaurants is a question that has persisted over time. Both chambers currently use private food service vendors to run the day-to-day operations of the restaurants, while retaining general authority for oversight of the restaurant systems. This, however, has not always been the case; the House operated its own restaurants as recently as 1994, and the Senate operated its own restaurants until 2008.

The reasons given in support of congressional management or private management have varied over time and often overlap, as each side has claimed that its approach would be financially advantageous, benefit employees, and improve the quality of food services provided. Those who have advocated for private management note that modern restaurant systems are larger and more complex than many of the internal operations managed by the House or the Senate. Food service requires consistent quality, safety, and efficiency, and some believe professional contractors familiar with the business of running large institutional restaurants are better able to achieve these objectives.<sup>45</sup>

Those who have supported congressional management, however, believe that each chamber has sufficient administrative means to operate the restaurants, and that Congress better understands the unique needs of the House and Senate restaurant systems and the constraints under which they operate.<sup>46</sup> Private management may also raise oversight challenges for Congress if company financial records are not made available for review.<sup>47</sup> Some Members have expressed concerns

<sup>(...</sup>continued)

https://www.fbo.gov/index?s=opportunity&mode=form&id=aa5e823b39761d877e12d3acf26d4b6a&tab=core&\_cview=1.

<sup>&</sup>lt;sup>44</sup> "Longworth Cafeteria Renovations," Dining Services Announcements, First Call, July 8, 2016, at https://housenet.house.gov/campus/dining-services/announcements/longworth-cafeteria-renovations; "Longworth Cafeteria Reopens," Dining Services Announcements, First Call, November 27, 2016, at https://housenet.house.gov/campus/dining-services/announcements.

<sup>&</sup>lt;sup>45</sup> Congressional Record, vol. 38, part 6 (April 25, 1904), p. 5581; "House Restaurant," Congressional Record, vol. 62, part 1 (December 22, 1921), pp. 706-709; Timothy J. Burger, "Look for New 'House Mess' as Food Service Operations Turned Over to General Wishart," *Roll Call*, May 20, 1993, p. 6; Elizabeth Brotherton, "Senate Cafeterias Set to Be Privatized," *Roll Call*, March 6, 2008.

<sup>&</sup>lt;sup>46</sup> Rep. Clare Eugene Hoffman, "Food Facilities of the House of Representatives," *Congressional Record*, remarks in the House, vol. 100, part 11 (July 30, 1954), p. 14842; U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch Appropriations, *Legislative Branch Appropriations for 1970*, hearings, 91<sup>st</sup> Cong., 1<sup>st</sup> sess., July 21, 1969 (Washington: GPO, 1969), p. 507; Kenneth J. Cooper, "A Manager for 'Village' on the Hill? House Critics Fault Outdated Operations," *Washington Post*, February 16, 1992, p. A14.

<sup>&</sup>lt;sup>47</sup> For example, the CAO acknowledged that "we are not privy to the salary discussions" that the restaurant contractor had with its employees. See U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch, *Legislative Branch Appropriations for 2016*, Part 2: Fiscal Year 2016 Legislative Branch Appropriations Requests, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., February 25-26, 2016 (Washington: GPO, 2015), p. 34. See also U.S. Government Accountability Office, *Architect of the Capitol: Contracting Functions Generally Follow Known Practices, but Certain Improvements Are Needed*, 676392, April 7, 2016, http://www.gao.gov/assets/680/676392.pdf.

that contractors do not have to follow the same guidelines for personnel or procurement that the federal government does, even though the restaurants operate within the Capitol complex.<sup>48</sup>

### **Employee Salaries and Benefits**

Issues related to employee wages and benefits affected the House and Senate restaurants during the 114<sup>th</sup> Congress (2015-2016). A new contract for the House restaurants went into effect in August 2015, and a new contract for the Senate restaurants went into effect in December 2015. This created an opportunity for employees and others to advocate for changes, including higher wages for all restaurant employees and union representation for Senate restaurant employees, that they hoped to see before the terms of the new agreements were settled upon in each chamber. A summary of these recent events and ongoing concerns is below.

#### House Restaurant Employee Wages and Union

Wages for House restaurant employees are a concern expressed by some House Members. While the search for a new vendor was underway in 2015, Representative Debbie Wasserman Schultz proposed an amendment during the committee markup of the FY2016 Legislative Branch Appropriations Bill that would affect House restaurant employee wages. The proposal "directed the [CAO] to solicit and select a food service contractor who provides a livable wage to its employees to meet basic needs for food and shelter," using local economic indices to determine an appropriate wage amount.<sup>49</sup> In a 21-29 vote, the amendment was not agreed to.

The CAO noted that its office shares the "understandable desire to ensure that the people who provide services to the House are compensated fairly," and indicated that the new House vendor was chosen, in part, based on "the signals that Sodexo sent regarding the value it places on a strong, effective, fairly compensated workforce." When Sodexo took over the House restaurants in August 2015, it announced plans to voluntarily follow the D.C. Displaced Workers Protection Act of 1994, which guaranteed that no employees would be laid off for at least 90 days after the contractor change.<sup>50</sup> Sodexo also agreed to recognize the restaurant employees' union, UNITE HERE Local 23, and signed a collective bargaining agreement.<sup>51</sup>

Many provisions in the collective bargaining agreement with Sodexo remain similar to those that applied to the previous House vendor, Restaurant Associates, including the pay scale, annual and sick leave, health insurance, short-term disability benefits, life insurance, and union pension. Workers who received higher wages or benefit levels based on their service under past House restaurant employer agreements continue to receive these levels.<sup>52</sup> Sodexo provides starting

<sup>&</sup>lt;sup>48</sup> Bridget Bowman, "Senators Want Labor Department Audit of Food Vendor," *Roll Call*, March 22, 2016, at http://www.rollcall.com/news/policy/senators-call-labor-department-audit-food-vendor/; Sen. Richard Blumenthal, "Blumenthal, Brown Call on Sysco to Ensure No Human Trafficking in Seafood Supply Chain," press release, May 24, 2016, https://www.blumenthal.senate.gov/newsroom/press/release/blumenthal-brown-call-on-sysco-to-ensure-no-human-trafficking-in-seafood-supply-chain/.

<sup>&</sup>lt;sup>49</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Legislative Branch, *Legislative Branch Appropriations Bill, 2016*, report to accompany H.R. 2250, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., May 12, 2015 (Washington: GPO, 110), p. 40.

<sup>&</sup>lt;sup>50</sup> Bridget Bowman, "Sodexo Named New House Food Service Vendor," *Roll Call*, June 9, 2015.

<sup>&</sup>lt;sup>51</sup> Agreement by and between SDH Services East, LLC d/b/a Sodexo Government Services at the House of Representatives House Restaurant System and UNITE HERE Local 23, AFL-CIO, collective bargaining agreement, effective August 7, 2015, provided by UNITE HERE Local 23.

<sup>&</sup>lt;sup>52</sup> For the previous provisions with Restaurant Associates, see Collective Bargaining Agreement Between Restaurant Associates, a Division of Compass Group Americas Division, the Americas, Operating at House of Representatives, (continued...)

wages for new employees that range from \$10.15 to \$19.00 an hour,<sup>53</sup> with a \$0.20 per hour increase scheduled for June 1, 2016, and an additional \$0.25 per hour increase to follow on December 1, 2016.<sup>54</sup> Additionally, Sodexo offers House Restaurant System employees the option to enroll in a 401(k) plan and will match \$0.35 of every dollar an employee contributes, up to 6% of the employee's earnings.<sup>55</sup>

#### Senate Restaurant Employee Wages and Interest in Unionizing

Concerns have been raised about wages and benefits for Senate restaurant employees. A number of protests and advocacy initiatives occurred during late 2014 and throughout 2015 addressing pay and union representation for Senate restaurant employees.<sup>56</sup> On April 22, 2015, approximately 40 Senate contract workers, some of whom were restaurant employees, participated in what was characterized as a strike with other workers and activists, calling for an executive order giving preference to federal contractors who would provide an hourly wage of at least \$15 for their workers.<sup>57</sup> Other labor action occurred during the summer and fall months, and the most recent strike occurred on December 8, 2015.<sup>58</sup> In addition to higher wages, some Senate restaurant employees also sought to form a union.<sup>59</sup>

<sup>54</sup> Agreement by and between SDH Services East, LLC d/b/a Sodexo Government Services at the House of Representatives House Restaurant System and UNITE HERE Local 23, AFL-CIO, collective bargaining agreement, effective August 7, 2015, provided by UNITE HERE Local 23, p. 28.

<sup>55</sup> Ibid., pp. 25-26.

<sup>56</sup> One account describes Senate and Capitol restaurant employees as "fighters for '\$15 & a Union," which is language commonly used by activists in a broader movement for fast food employees (for example, http://fightfor15.org). See Rev. Dr. J. Herbert Nelson II and Rev. Sèkinah Hamlin, "A Gift for Low-Wage Capitol Workers," *The Hill*, December 10, 2015, at http://thehill.com/blogs/congress-blog/labor/262706-a-gift-for-low-wage-capitol-workers; see also U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, *Acting Responsibly? Federal Contractors Frequently Put Workers' Lives and Livelihoods at Risk*, Majority Committee Staff Report, 113<sup>th</sup> Cong., 1<sup>st</sup> sess., December 11, 2013; Bruce Horovitz and Yamiche Alcindor, "Fast-Food Strikes Widen into Social-Justice Movement," *USA Today*, April 15, 2015.

<sup>57</sup> John Verhovek and Dana Bash, "Food Workers, Janitors Walk Out on U.S. Senate," *CNN*, April 22, 2015, at http://www.cnn.com/2015/04/22/politics/wages-senate-workers-walk-out/; Mike DeBonis, "Senate Democrats Urge Better Pay for Capitol Jobs Contracted Out by Senate Democrats," *Washington Post*, April 28, 2015, at https://www.washingtonpost.com/news/post-politics/wp/2015/04/28/senate-democrats-urge-better-pay-for-capitol-jobs-contracted-out-by-senate-democrats/.

<sup>58</sup> Bridget Bowman, "Capitol Food Workers Bring Income Inequality to Congress' Front Step," *Roll Call*, July 22, 2015, at http://blogs.rollcall.com/hill-blotter/capitol-food-workers-bring-income-inequality-to-congress-steps/; Bridget Bowman, "Capitol Worker Strike: More People, New Target One Year Later," *Roll Call*, November 10, 2015, at http://blogs.rollcall.com/hill-blotter/capitol-worker-strike-more-people-new-target-one-year-later/; Bridget Bowman, "Capitol Workers to Strike Ahead of GOP Debate," *Roll Call*, November 10, 2015, at http://blogs.rollcall.com/hill-blotter/capitol-workers-strike-gop-debate/; Bridget Bowman, "Capitol Food Workers Dub Ted Cruz a 'Grinch,'' *Roll Call*, December 8, 2015, at http://blogs.rollcall.com/wgdb/capitol-food-workers-escalate-protests-in-senate/.

<sup>59</sup> Mike DeBonis, "National Push for \$15 Minimum Wage Hits Home for U.S. Senate Workers," *Washington Post*, July 21, 2015, at https://www.washingtonpost.com/politics/national-push-for-15-minimum-wage-hits-home-for-us-senate-workers/2015/07/21/54dd7e14-2fc0-11e5-8f36-18d1d501920d\_story.html; Bridget Bowman, "Capitol Food Workers Bring Income Inequality to Congress' Front Step," *Roll Call*, July 22, 2015, at http://blogs.rollcall.com/hill-blotter/ capitol-food-workers-bring-income-inequality-to-congress-steps/; Bridget Bowman, "NLRB Finds Retaliation After (continued...)

<sup>(...</sup>continued)

House Restaurant System, and UNITE HERE, Local 23, June 1, 2013, http://www.unitehere23.org/wp-content/uploads/US-House-of-Reps-exp-05-31-2017.pdf.

<sup>&</sup>lt;sup>53</sup> After six months of employment, the wage rate increases by \$0.25 per hour; after an additional six months, the wage increases an additional \$0.25 per hour. The minimum wage rate for employees working in the House Restaurant System for at least a year would range from \$10.65 to \$19.50.

Some Senators indicated their support for the restaurant employees' concerns. On April 27, 2015, nine Senators signed a letter to the Senate Rules and Administration Committee, arguing that it was wrong for "American taxpayers [to] subsidize these contractors by allowing them to pay low wages that must be augmented by taxpayer-funded benefits."<sup>60</sup> The Senators also wanted federal contractors to provide healthcare and other benefits.<sup>61</sup> Another letter, reiterating these goals and advocating further executive action to "[make] the government a 'model employer," was signed by 18 Senators and sent to the President of the United States on May 15.<sup>62</sup> An additional letter was sent on August 5 to the Rules and Administration Committee, advocating for higher restaurant employee wages, signed by 40 Senators.<sup>63</sup> A group of 34 Senators signed a letter on November 13 to the CEO of Compass Group, the parent company of Restaurant Associates, asking the company to recognize a union if a majority of the restaurant employees wanted to unionize.<sup>64</sup> Some Senators and congressional staffers also participated in the protests and advocacy for restaurant employees, including Wednesday "sit-in" lunches or "brown bag boycotts" throughout the fall in the Dirksen cafeteria.<sup>65</sup>

Senate restaurant employees maintained that, given the high costs of living in the Washington, DC, area, a wage increase was needed so they could live above the poverty line and provide for their families.<sup>66</sup> The new seven-year contract with Restaurant Associates went into effect January 2016. It included pay increases, reportedly raising the average hourly wage from \$11.50 to \$14.50

<sup>62</sup> Letter from Sen. Bernie Sanders, et al., to President Barack Obama, May 15, 2015, at http://www.budget.senate.gov/democratic/public/\_cache/files/7b78690c-75df-47f0-9825-9621f3ec8ab1/fed-gov-contractor-letter-5-15-15.pdf.

<sup>63</sup> Bridget Bowman, "Senate Democrats Call for Higher Wages for Capitol Food Workers," *Roll Call*, August 5, 2015, at http://blogs.rollcall.com/hill-blotter/senate-democrats-call-for-higher-wages-for-capitol-food-workers/; Tim Devaney, "Dems Demand Higher Wages for Senate Cafeteria Workers," *The Hill*, August 6, 2015, at http://thehill.com/ regulation/labor/250429-senate-dems-demand-higher-wages-for-food-workers.

<sup>64</sup> Letter from Sen. Bernie Sanders, U.S. Senate, et al. to Richard John Cousins, CEO, Compass Group, November 13, 2015, at http://www.sanders.senate.gov/download/letter-to-compass-group?inline=file; Bridget Bowman, "Senate Democrats Scold Capitol Worker Food Company," *Roll Call*, November 13, 2015, at http://blogs.rollcall.com/wgdb/ senate-democrats-scold-capitol-worker-food-company/.

<sup>65</sup> Bridget Bowman, "Senate Leaders Join Dining Boycott," *Roll Call*, November 4, 2015, at http://blogs.rollcall.com/ hill-blotter/senate-leaders-join-dining-boycott/; Bridget Bowman, "Senate Staffers Rally Behind Capitol Food Workers," *Roll Call*, October 28, 2015, at http://blogs.rollcall.com/hill-blotter/senate-staffers-rally-behind-capitol-foodworkers/; Deidre Shesgreen, "What Sen. Brown Does for Lunch on Wednesdays," *Cincinnati Enquirer*, November 18, 2015, at http://cin.ci/1O3tNC8.

<sup>66</sup> See, for example, Dana Bash, "Working in the Capitol, Sleeping on the Street," *CNN*, April 24, 2015, at http://www.cnn.com/2015/04/24/politics/congress-living-wage-homeless-capitol/; Bertrand Olotara, "I Am a Cook in the US Senate but I Still Need Food Stamps to Feed My Children," *The Guardian*, April 22, 2015, at http://www.theguardian.com/commentisfree/2015/apr/22/i-am-a-cook-in-the-us-senate-but-i-still-need-food-stamps-to-feed-my-children; Associated Press, "Paltry Wages for Workers Who Serve Lawmakers at US Capitol," *New York Post*, May 3, 2015, at http://nypost.com/2015/05/03/paltry-wages-for-workers-who-serve-lawmakers-at-us-capitol/; Sontia Bailey, "I Work at the US Capitol and KFC Colonel Sanders Pays Me More than Uncle Sam," *The Guardian*, July 21, 2015, http://www.theguardian.com/commentisfree/2015/jul/21/cashier-at-us-capitol-work-two-jobs-minimum-wage.

<sup>(...</sup>continued)

Capitol Food Worker Strike," *Roll Call*, August 4, 2015, at http://www.rollcall.com/news/home/nlrb-finds-retaliation-after-capitol-food-worker-strike/.

<sup>&</sup>lt;sup>60</sup> Bernie Becker, "Dems Push for Living Wage for Senate Contractors," *The Hill*, April 27, 2015, at http://thehill.com/policy/finance/240211-dems-push-for-living-wage-for-senate-contractors/.

<sup>&</sup>lt;sup>61</sup> Bridget Bowman, "Restaurant Associates Pushes Back on Senators' Criticism," *Roll Call*, November 19, 2015, at http://blogs.rollcall.com/wgdb/restaurant-associates-pushes-back-on-senators-criticism/; Bridget Bowman, "Biden Reunites with Senate Worker, Calls for a Raise," *Roll Call*, December 3, 2015, at http://blogs.rollcall.com/white-house/ biden-reunites-senate-worker-calls-raise/.

and the minimum starting wage to \$13.30.<sup>67</sup> Workers received additional benefits for health insurance, retirement savings, or transportation amounting to \$4.27 per hour.<sup>68</sup>

#### Department of Labor Investigation of Senate Job Title Changes

On July 26, 2016, the Department of Labor (DOL) found that Restaurant Associates, and its subcontractor, Personnel Plus, owed \$1,008,302 in back wages to 674 Senate restaurant employees. DOL found that many Senate restaurant workers were improperly classified into lower paying job categories and were required to work without compensation prior to their scheduled start times, which also resulted in underestimated overtime pay. This finding has led to renewed calls by some Senators to terminate the Senate's contract with Restaurant Associates. Restaurant Associates stated that the error was due to "administrative technicalities," and that it had paid the workers in full.<sup>69</sup>

The DOL investigation began after Good Jobs Nation, an advocacy group, filed a complaint on behalf of the restaurant employees with DOL on January 14, 2016.<sup>70</sup> After the AOC's December 2015 contract with Restaurant Associates went into effect, employees alleged that job misclassification had occurred. Federal contractor worker occupational titles and job descriptions are set forth under the Service Contract Act of 1965,<sup>71</sup> and the contract with Restaurant Associates specified particular minimum wages for different occupational titles in the Senate restaurant system. Employees were supposed to receive raises under the new contract, but if the employee's title changed from a higher-paying position to a lower-paying position when the contract took effect, the employee could receive little or no pay increase.<sup>72</sup>

The AOC identified some of the misclassified employees through its own internal investigation in early 2016 and worked with Restaurant Associates to provide back pay for these workers and correct the misclassifications. On March 15, 2016, the AOC spoke at a Senate Appropriations Legislative Branch Subcommittee hearing, noting that "we thought that we were doing a good thing [by including a pay raise in the new contract], only to be surprised just a week or two later

<sup>&</sup>lt;sup>67</sup> Salary data from Restaurant Associates is not available, but see Bridget Bowman, "Senate Food Workers to Get Raise in New Contract," *Roll Call*, December 14, 2015, at http://blogs.rollcall.com/wgdb/senate-food-workers-to-get-a-raise-in-new-contract/; Teresa Tritch, "Serving Up a Raise in the Senate Cafeteria," editorial, *New York Times*, December 18, 2015, at http://takingnote.blogs.nytimes.com/2015/12/18/serving-up-a-raise-in-the-senate-cafeteria/.

<sup>&</sup>lt;sup>68</sup> Mike DeBonis, "Senate Workers Win Raise in New Contract—But Not Quite '\$15 and a Union," *Washington Post*, December 14, 2015, https://www.washingtonpost.com/news/powerpost/wp/2015/12/14/senate-workers-win-raise-in-new-contract-but-not-quite-15-and-a-union/.

<sup>&</sup>lt;sup>69</sup> U.S. Department of Labor, Wage and Hour Division, "US Labor Department Investigation Finds Capitol Hill Cafeteria Workers Illegally Denied More than \$1M in Wages By Federal Food Service Contractors," press release, July 26, 2016, https://www.dol.gov/newsroom/releases/whd/whd20160726/; Stephanie Akin, "Senate Food Service Vendor Ordered to Pay \$1 Million in Back Wages," *Roll Call*, July 26, 2016, at http://www.rollcall.com/news/politics/senatefood-service-vendor-ordered-to-pay-1-million-in-back-wages/; Associated Press, "Feds: Senate Cafeteria Workers Will Get \$1 Million Back Pay," July 26, 2016, available at https://www.washingtonpost.com/politics/federal\_government/ feds-senate-cafeteria-workers-will-get-1-million-back-pay/2016/07/26/7fc02bae-5355-11e6-b652-315ae5d4d4dd\_story.html.

<sup>&</sup>lt;sup>70</sup> Bridget Bowman, "Senate Food Workers Allege 'Raise Theft," *Roll Call*, January 29, 2016, at http://blogs.rollcall.com/wgdb/senate-food-workers-allege-raise-theft/; Tracy Allen, "Stop 'Raise Theft' at US Capitol," *The Hill*, February 5, 2106, at http://thehill.com/blogs/congress-blog/labor/268274-stop-raise-theft-at-us-capitol; Rema Rahman, "Wages Request for Federal Workers Filed," *Roll Call*, February 8, 2016, at http://blogs.rollcall.com/news/wages-request-federal-workers-filed/.

<sup>&</sup>lt;sup>71</sup> P.L. 89-286, October 22, 1965, 41 U.S.C. §§ 351-358. See Catherine Rampell, "It Helps Having Senators on Your Side," editorial, *Washington Post*, March 25, 2016, p. A19.

<sup>&</sup>lt;sup>72</sup> See Catherine Rampell, "A Capitol Wage Scam," editorial, *Washington Post*, January 29, 2016, p. A27.

... that the pay rates that we had adjusted to were not being implemented." The AOC also indicated that he believed Restaurant Associates' reclassifications did constitute a violation of the contract terms.<sup>73</sup>

A subsequent Government Accountability Office (GAO) review between December 2016 and May 2017 found that "[t]he AOC's oversight of the Senate food services contract with Restaurant Associates has been consistent with its established oversight policies and practices in the AOC contracting manual."<sup>74</sup> In addition to providing back pay to affected employees, DOL reports that Restaurant Associates agreed to retain an independent compliance monitor (at its own expense) and will not bid on any new federal service contracts for two years. DOL also reports that Restaurant Associates "is taking additional proactive steps to ensure future compliance," including the appointment of a compliance manager and compliance supervisors and the creation of a confidential telephone hotline for employees or managers to report issues.<sup>75</sup>

## **Concluding Observations**

In many regards, the House and Senate food services operate like many large, institutional cafeterias do. Similar to many office cafeterias, House and Senate food services primarily serve breakfast, lunch, and snacks during regular workday business hours, and provide vending options for patrons who may be on-site during other times. Recognizing the availability of other dining options, the House and Senate food service providers attempt to provide convenient service, keep their prices competitive, and offer the types of menu items that customers enjoy.

Some aspects of House and Senate dining operations, however, are necessarily unique, given the congressional environment in which they exist. The Members' dining rooms, for example, provide an ambiance not typically found in workplace eateries. In addition to their historic and architectural value, these dining rooms also provide Members of Congress and staff members a more formal and private setting in which to meet with guests or one another.

Another feature House and Senate dining operations must account for is that that the schedule of Congress is less predictable than other institutions, which can have a variety of effects on food services. An unscheduled recess, for example, can significantly reduce the number of customers the House and Senate dining services can expect. This often results in higher costs to the restaurants, which have to account for lost food and sometimes pay employees; as a result, recesses can also lead to temporary worker layoffs or reduced hours. Conversely, when Congress is in session, House and Senate food services must be able to handle high volumes of customers with a variety of needs. Because events like hearings or briefings can be added to, or moved around, the congressional schedule, food service providers, and catering in particular, must to be able to accommodate last-minute requests and changes.

The House and Senate restaurants are operated by private food service contractors who handle most of the day-to-day concerns. Despite this delegation, the House and Senate remain

<sup>&</sup>lt;sup>73</sup> Testimony of Architect of the Capitol Stephen T. Ayers, in U.S. Congress, Senate Committee on Appropriations, Subcommittee on Legislative Branch, *Hearing to Review Library of Congress and Architect of the Capitol FY2017 Budget Request*, 114<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 15, 2016; Rampell, "It Helps Having Senators on Your Side," p. A19; Mike DeBonis, "Most Senate Cafeteria Workers Were Mistreated on Wages, Top Capitol Official Says," *Washington Post*, March 22, 2015, p. A15.

<sup>&</sup>lt;sup>74</sup> U.S. Government Accountability Office, *Architect of the Capitol's Oversight of the Senate Restaurants*, 684566, May 12, 2017, p. 2, at http://www.gao.gov/assets/690/684566.pdf.

<sup>&</sup>lt;sup>75</sup> Oscar L. Hampton, III, "Positive Changes in the U.S. Senate Cafeteria," blog post from the U.S. Department of Labor, November 1, 2017, at https://blog.dol.gov/2017/11/02/positive-changes-us-senate-cafeteria.

responsible for food service oversight. This shared administration resulted from how the congressional restaurant systems developed and grew over time. As a result, many of the issues faced by the restaurants today are addressed by the contractors themselves. Other issues are addressed by the House Administration Committee, Senate Rules and Administration Committee, or other congressional support offices. Together, these entities strive to meet the needs of the Members and staff who rely upon congressional dining services to help them carry out their daily legislative and representational work.

### **Author Contact Information**

(name redacted) Analyst in American National Government fedacted@crs.loc.gov, 7-....

### EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.