

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

791 SCOM124: SENATE SPEC. COMM. ON MINORITY RELATIONS 1979

or divorced, a person because he/she is a parent and unmarried, or a person because she is pregnant and unmarried.

- L. "National origin" includes ancestry, persons not citizens, their descendants, persons naturalized, and their descendants.
- M. "Person" means one or more individuals, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, employees, employers, employment agencies, labor organizations, joint apprenticeship committees or other legal or commercial entity.
- N. "Physical handicap" means any physical disability, infirmity, malformation, or disfigurement which is caused by bodily injury, birth defect, or illness, including diabetes, epilepsy, and including any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, or other remedial appliance or device.
- O. "Public accommodation" means any place in or through which any business or professional activity is conducted that is open to, accepts or solicits the patronage of or caters or offers goods or services to the general public. This includes, but is not limited to, a public inn, restaurant, eating house, day care center, hotel, motel, soda fountain, soft drink parlor, tavern, night club, liquor establishment, roadhouse, place where food or spiritous or malt liquors are sold for consumption, trailer park, resort, campground, mobile home, barbershop, beauty parlor, bathroom, resthouse, theater, swimming pool, skating rink, golf course, cafe, ice cream parlor, transportation company and all other public amusement and business establishments, subject only to the conditions and limitations established by law and applicable alike to all persons.
- P. "Real property" means a housing accommodation, unimproved property, a building or a portion of a building, whether constructed or to be constructed, structures, real estate, lands, tenements, leaseholds, interest in real estate cooperatives, condominiums, and

hereditaments, corporeal and incorporeal, or any interest therein, a mobile home, which is or will be used as sleeping quarters of its occupants, or a trailer park.

- Q. "Sex discrimination" means differential or preferential treatment shown toward a person because of one's sex, pregnancy, or parenthood. (AS 23.10.325-.370 and new).

5.20.020 Unlawful practices in the sale or rental of real property.

Except in the individual home wherein the renter or lessee would share common living areas with the owner, lessor, manager, agent or other person, it is unlawful for the owner, lessor, manager, agent or other person having the right to sell, lease, rent or advertise real property:

- A. To refuse to sell, lease or rent the real property to a person because of race, religion, age, sex, color, national origin, marital status or physical handicap;
- B. To discriminate against a person because of race, religion, age, sex, color, national origin, marital status or physical handicap in a term, condition or privilege relating to the use, sale, lease or rental of real property;
- C. To make a written or oral inquiry or record of the race, religion, age, sex, color, national origin, marital status or physical handicap of a person seeking to buy, lease or rent real property;
- D. To offer, solicit, accept, use or retain a listing of real property with the understanding that a person may be discriminated against in a real estate transaction or in the furnishing of facilities or sources in connection therewith because of a person's race, religion, age, sex, color, national origin, marital status or physical handicap;
- E. To represent to a person that real property is not available for inspection, sale, rental, or lease when in fact it is available, or to refuse a person the right to inspect real property, because of the race, religion, age, sex, color, national origin, marital status or physical handicap of that person or because of any person associated with that person;

- F. To engage in blockbusting;
- G. To circulate, issue or display, make, print or publish, or cause to be made or displayed, printed or published, any communication, sign, notice, statement or advertisement, with respect to the use, sale, lease or rental of real property that indicates any preference, limitation, specification or discrimination based on race, religion, age, sex, color, national origin, marital status or physical handicap. This shall not be construed to apply to publishing companies which accept advertising in the ordinary course of business. (Adapted from CAC 8.36.090 and new).

5.20.030 Unlawful financing practices.

It is unlawful for an insurance company, a financial institution or other commercial institution extending secured or unsecured credit, upon receiving an application for financial assistance or credit for the acquisition, construction, rehabilitation, repair or maintenance of a housing accommodation or other property or services, or the acquisition or improvement of unimproved property, or upon receiving an application for any sort of loan of money, or upon receiving an application for insurance to permit one of its officials or employees during the execution of his/her duties:

- A. To discriminate against the applicant because of race, religion, age, sex, color, national origin, marital status or physical handicap in a term, condition or privilege relating to the obtainment or use of the institution's financial assistance, insurance or credit, except to the extent of a federal statute or regulation applicable to a transaction of the same character;
- B. To make or cause to be made a written or oral inquiry or record of the race, religion, age, sex, color, national origin, marital status or physical handicap of a person seeking the institution's financial assistance, insurance, or credit unless the inquiry is for the purpose of ascertaining the applicant's creditworthiness or insurability;

- C. To refuse to extend credit, issue a credit card, insure or make a loan to a single, divorced, pregnant or married person who is otherwise creditworthy, if so requested by the person;
- D. To refuse to insure or to issue a credit card to a married person in that person's name, if so requested by the person, provided, however, that the person so requesting a card may be required to open an account in that name if so requested by that person. (Adapted from CAC 8.38.020 and new).

5.20.040 Unlawful employment practices.

It is unlawful for:

- A. An employer to refuse employment to a person, or to bar him/her from employment, or to discriminate against him/her in compensation or in a term, condition, or privilege of employment or to discharge, expel, reduce, suspend or demote him/her because of his/her race, religion, age, sex, color, national origin, marital status or physical handicap unless the reason for the discrimination is a bona fide occupational qualification;
- B. A labor organization because of a person's race, religion, age, sex, color, national origin, marital status, or physical handicap to exclude or to expel him/her from its membership or to discriminate against one of its members or employer or employee;
- C. A person, employer or employment agency to broadcast, publish, print, circulate or cause to be broadcasted, published, printed or circulated a statement, advertisement in connection with prospective employment or to use a form of application for employment which expresses, directly or indirectly, a limitation, specification, preference or discrimination as to race, religion, age, sex, color, national origin, marital status or physical handicap;
- D. A person to discriminate in the payment of wages as between sexes, or to employ a person of one sex in an occupation at a salary or wage rate less than that paid to a person of another sex for work of comparable character or work in the same operation, business or type of work in the same locality. (Adapted from CAC 8.40.040).

5.20.050

Unlawful practices in places of public accommodation.

It is unlawful for a person, whether the owner, operator, or agent or employee of an owner or operator of a public accommodation:

- A. To refuse, withhold from or deny to a person any of its accommodations, advantages, facilities, benefits, privileges, services or goods of that place on account of race, religion, age, sex, color, national origin, marital status or physical handicap;
- B. To publish, circulate, issue, display, post or mail a written or printed communication, notice, or advertisement which states or implies:
 - 1. that any of the services, goods, facilities, benefits, accommodations, advantages, privileges of the public accommodation will be refused, withheld from or denied to a person of a certain race, religion, age, sex, color, national origin, marital status or physical handicap; or
 - 2. that the patronage or presence of a person belonging to a particular race, religion, age, sex, color, national origin, marital status or physical handicap, is unwelcome, not desired, solicited, objectionable or unacceptable.
- C. To make a written or oral inquiry concerning the race, religion, age, sex, color, national origin, marital status or physical handicap of an individual in connection with the solicitation, reservation, booking, sale, or dispensing of accommodation, advantage, facility, benefit, privilege, service or good. (Adapted from CAC 8.40.020).

5.20.060

Unlawful practices in educational institutions.

- A. It is unlawful for a person operating or assisting in the operation of an educational institution:
 - 1. to refuse to admit or otherwise to discriminate against an individual with respect to the terms, conditions, accommodations, advantages, facilities, benefits, privileges, or services of that institution

on account of race, religion, age, sex, color, national origin, marital status or physical handicap;

2. to make or use a written or oral inquiry or form of application for admission that elicits information concerning the race, religion, age, sex, color, national origin, marital status or physical handicap of an applicant for admission;
3. to require or cause to be required that a photograph of an applicant for admission be submitted with an application for admission;
4. to publish, circulate, or display, or cause to be published, circulated or displayed, a written, printed, oral or visual communication, advertisement, catalog, or any other form of publicity relating to admission that expresses or indicates a preference, limitation, specification, or discrimination on account of the race, religion, age, sex, color, national origin, marital status or physical handicap of an applicant for admission;
5. to establish, announce, or follow a policy of denial or limitation of education opportunities for members of a group on account of race, religion, age, sex, color, national origin, marital status or physical handicap;
6. to use in the recruitment of potential applicants for admission, a service or agency that discriminates against individuals on account of race, religion, age, sex, color, national origin, marital status or physical handicap.

- B. Discrimination is lawful for a religious or denominational institution or organization, or an organization operated for charitable or educational purposes which is operated, supervised or controlled by or in connection with a religious or denominational institution or organization, limiting admission to, or giving preference in, its accommodations, advantages, facilities, benefits or services to persons of the same religion or denomination, or for making a selection of applicants or individuals that is reasonably calculated to promote the religious principles for which it is established or maintained.

Such organizations otherwise remain subject to the provisions in this title with regard to race, color, age, national origin, sex, physical handicap or marital status. (Adapted from CAC 8.40.030).

5.20.070 **Unlawful practices by the Municipality of Anchorage.**

It is unlawful for the Municipality of Anchorage or any public agency thereof:

- A. To refuse, withhold from or deny to a person any local, state or federal funds, services, goods, facilities, advantages or privileges because of race, religion, age, sex, color, national origin, marital status or physical handicap;
- B. To publish, circulate, issue, display, post or mail a written or printed communication, notice or advertisement which states or implies that any local, state or federal funds, services, goods, facilities, advantages or privileges of the office or agency will be refused, withheld from or denied to a person of a certain race, religion, age, sex, color, national origin, marital status or physical handicap or that the patronage of a person belonging to a particular race, religion, age, sex, color, national origin, marital status, or physical handicap is unwelcome, not desired or solicited. (new).

5.20.080 **Lawful practices.**

Notwithstanding any provision of this chapter, it shall not be unlawful for a person in connection with employment, housing, financing or insurance, public accommodation, education or governmental service to make or keep records identifying the race, religion, age, sex, color, national origin, marital status, or physical handicap if the purpose of the record is to comply with federal or state equal opportunity laws or regulations or in furtherance of a program designed to ensure compliance with this title. (new).

Chapter 5.30

ENFORCEMENT

Sections:

5.30.010	Complaint.
5.30.020	Investigation and conciliation.
5.30.030	Public hearing.
5.30.040	Injunctive relief--Temporary restraining order.
5.30.050	Order.
5.30.060	Retaliation, coercion, aiding, abetting and inciting.
5.30.070	Penalty.
5.30.080	Judicial review and enforcement.
5.30.090	Effect of compliance with order.
5.30.100	Legal assistance.

5.30.010 Complaint.

A person who believes he/she is aggrieved by any discriminatory conduct prohibited by this title may file a written complaint with the commission within 120 days from the date of the alleged discriminatory conduct, stating the name and address of the person alleged to have engaged in discriminatory conduct, and the particulars of the act. In like manner, the executive director may file a complaint when an alleged discriminatory act against an individual or group of individuals comes to his attention. (Adapted from CAC 8.36.020).

5.30.020 Investigation and conciliation.

The commission shall investigate promptly and impartially the matters set out in the filed complaint. If it determines that the allegations are supported by substantial evidence, it shall immediately attempt to eliminate the discriminatory act or practice by conference, persuasion and conciliation. The commission shall in any event make findings of fact within 180 days after the filing of the complaint. (Adapted from CAC 8.36.040).

5.30.030 Public hearing.

If the commission determines that the efforts to eliminate the alleged discrimination are unsuccessful, the commission

shall serve written notice, together with a copy of the complaint as it may be amended, requiring the person, employer, labor organization or employment agency charged in the complaint to answer the allegations of the complaint at a public hearing before the commission. The time and place of the public hearing will be specified in the notice. The case in support of the complainant shall be presented before the commission by the executive director or his/her designee, provided that such designee does not concurrently represent the complainant. The complainant may be represented by counsel.

The person charged in the complaint may file a written answer to the complaint and may appear at the hearing in person or by counsel and submit testimony. The complainant has the power reasonably and fairly to amend the complaint, and the respondent has the power reasonably and fairly to amend his answer at any time up to and including the time of hearing. Any person may obtain a transcript upon payment of reasonable costs thereof. (Adapted from CAC 8.36.050 and new).

5.30.040 Injunctive relief--Temporary restraining order.

At any time after a complaint is filed under this title or in cases of noncompliance with a lawful commission order, the commission may file a petition in any superior court of the State of Alaska having jurisdiction seeking temporary or permanent injunctive relief. This includes the granting of a temporary restraining order not to exceed 10 days in duration, unless a longer period is agreed to by the parties, and the granting of preliminary and/or permanent Injunction following a court hearing. (Adapted from CAC 8.36.060 and new).

5.30.050 Order.

A. At the completion of the hearing, if the commission finds that a person against whom a complaint was filed has engaged in discriminatory conduct, it shall order him to refrain from engaging in discriminatory conduct. The order shall include findings of fact, and may prescribe conditions on the respondent's future conduct relevant to the type of discrimination. In a case involving discrimination in:

1. employment, the commission may order any equitable relief, including, but not limited to the

hiring, reinstatement or upgrading of an employee or group of employees with or without back pay, restoration to membership in a labor organization, or his admission to or participation in an apprenticeship training program, on-the-job training program, or other retraining program;

2. housing, the commission may order any equitable relief, including, but not limited to the sale, lease or rental of the housing accommodation to the aggrieved person if it is still available, or the sale, lease or rental of the next vacancy in like accommodations owned by the person against whom the complaint was filed;
 3. public accommodations, the commission may order any equitable relief, including, but not limited to, restoration to membership in a place of public accommodation, or admission to or service in a place of public accommodation;
 4. financial institutions, the commission may order any equitable relief, including, but not limited to, the issuance of a credit card to a person, the approval of a loan to a person, or the issuance of insurance to a person;
 5. educational institutions, the commission may order any equitable relief, including, but not limited to, admission to the institution or admission to the program or programs of the institution.
- B. The commission may order payment of reasonable expenses to the complainant or to the respondent when the commission determines the allowance is appropriate.
- C. The commission may monitor compliance with orders. The order may require a report or reports to be made to the commission on the manner of compliance.
- D. If the commission finds that a person against whom a complaint was filed has not engaged in the discriminatory conduct alleged in the complaint, it shall issue and cause to be served on the complainant an order dismissing the complaint.

- E. A copy of all orders issued following public hearing shall be filed with the municipal attorney. (new).

5.30.060 Retaliation, coercion, aiding, abetting and inciting.

It shall be unlawful for a person to discharge, expel, evict, retaliate or to otherwise discriminate against a person because he/she has filed a complaint, testified or assisted in a proceeding under this title. It is unlawful for a person to aid, abet, incite, compel or coerce the doing of an act forbidden under this title or to attempt to do so. (new).

5.30.070 Penalty.

A person who willfully resists, prevents, impedes or interferes with the commission or any of its authorized representatives because of or in the performance of duty under this title and is convicted by a court of competent jurisdiction and found guilty is guilty of a misdemeanor punishable by fine of not more than \$500.00, or by imprisonment in a jail for not more than 30 days, or by both. (new).

5.30.080 Judicial review and enforcement.

- A. A complainant, or person against whom a complaint is filed or other person aggrieved by an order of the commission may obtain judicial review of the order in accordance with AS 44.62.560-.570.
- B. The commission may obtain a court order for the enforcement of any of its orders by filing a complaint with the Superior Court in the Third Judicial District. (new).

5.30.090 Effect of compliance with order.

Immediate and continuing compliance with all the terms of a commission order is a bar to prosecution for the particular instances of discriminatory conduct described in the accusation filed before the commission. (new).

5.30.100 Legal assistance.

Legal assistance to the commission shall be provided by the municipal attorney. The municipal attorney may authorize

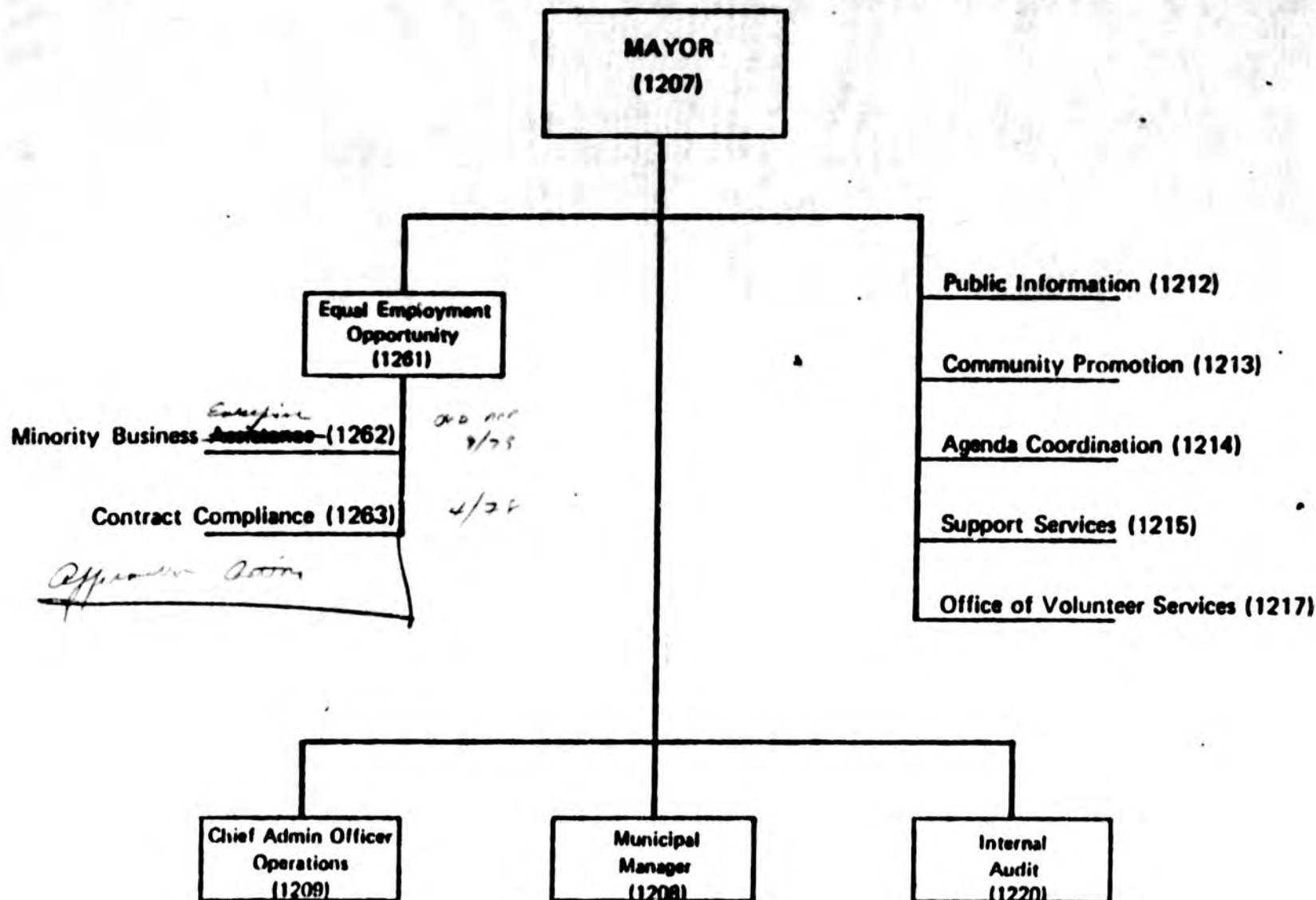
the commission to obtain temporary legal assistance. In any proceeding wherein the municipality is the respondent, the commission shall employ temporary legal counsel. (new).

Organizational Description

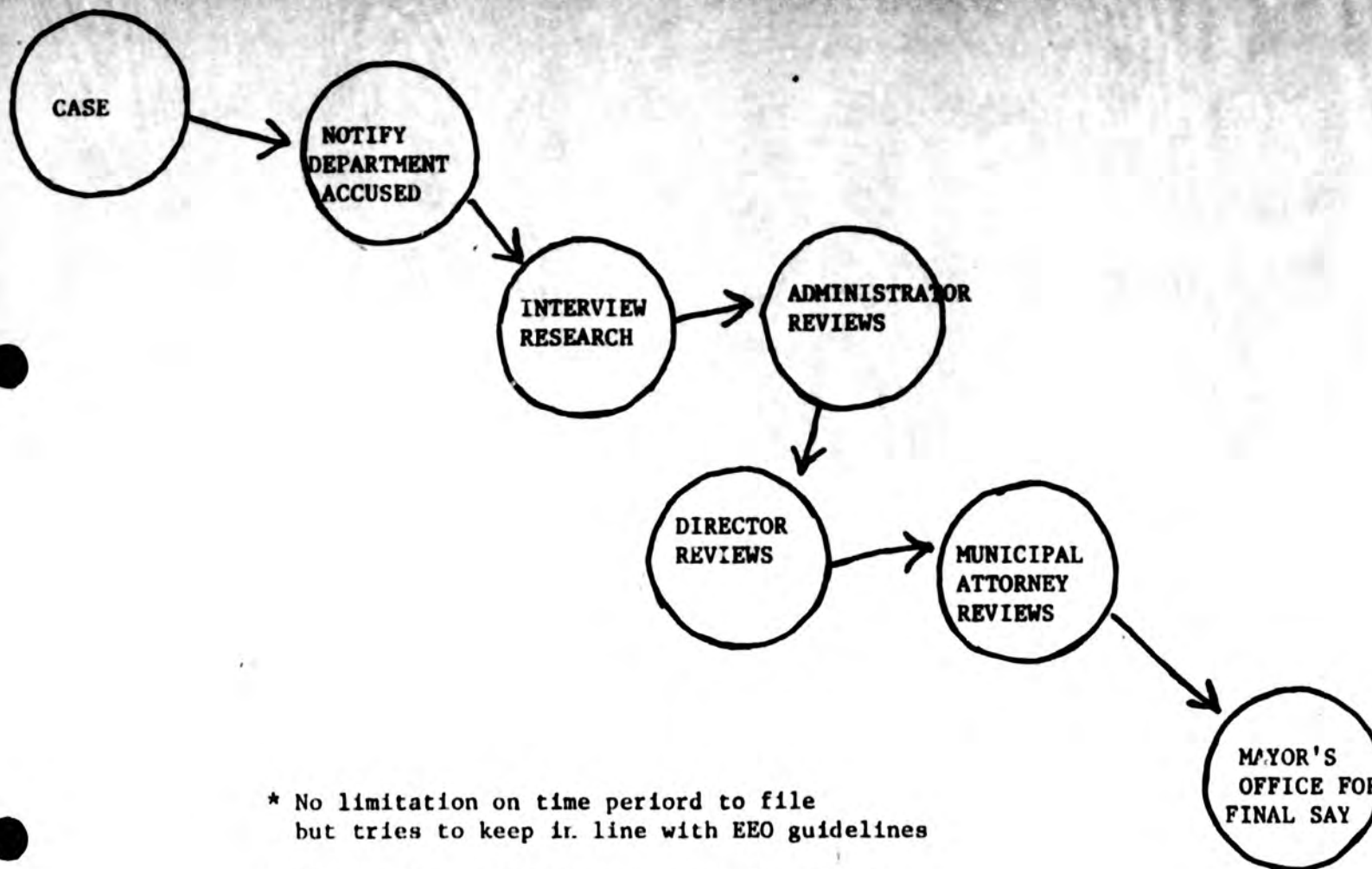
Organizational Chart

*Are they subject to
H/ANC Oversight?*

OFFICE OF THE MAYOR



**MUNICIPALITY OF ANCHORAGE
EEO AND AFFIRMATIVE ACTION**



- * No limitation on time period to file but tries to keep in line with EEO guidelines
- * Affirmative Action says 5 days, but leaves this open
- * Time of resolving depends on scope of investigation, from 1 to 8 months

(While in Mayor's office can take from 2 weeks to 1 month)

Office	Funding No.	Division	Unit No.	Section	Unit No.
Office of the Mayor	1200	Office of Equal Opportunity	1260	Equal Employment Opportunity	1261

To insure that Municipal employment policies and practices offer no illegal discriminatory barriers.

SERVICES FOR 1980

Continued implementation of the Municipality of Anchorage Affirmative Action Program.

CHANGES IN SERVICE FROM 1979 LEVEL

The major change in 1980 will be that special recruitment for females/minorities advertising broad public outreach will be eliminated. The major emphasis will be to train appointing authorities to support the hire and retention of minorities/females, rather than expending time and funds advertising the Municipality of Anchorage Equal Employment Opportunity posture.

NEED FOR 1980 LEVEL OF SERVICE

New federal statutes concerning Equal Employment Opportunity enforcement provide "that a cut-off of funding must be instituted upon a determination or finding of discrimination against units of government receiving federal monies." The courts have demonstrated through judicial determination that public employers' affirmative action plans must remedy systemic discrimination in an expeditious manner. The Municipal Affirmative Action Plan prescribed by the Municipal Assembly determined that the Municipality will vigorously seek the placement of qualified females/minorities at all levels and classes of employment. The Affirmative Action Plan and Executive Order 11246, as amended, requires that Municipal employment efforts meet established Federal, State and local guidelines.

PERFORMANCE OBJECTIVES	PERFORMANCE MEASUREMENTS			
	DESCRIPTION	1978 ACTUAL	1979 ESTIMATE	1980 PLANNED
1. Conduct Equal Employment Opportunity Training Seminars on Employee Selection Procedures and Handicapped Hire.	# of Seminars conducted annually.		15	23
2. Monitor the Municipality's progress in achieving affirmative action goals & timetables and review departmental goals and timetables with department directors.	Accumulation & assessment of statistical data necessary to monitor and review EEO progress. # of applicant flow cards audited monthly. # of certification lists audited quarterly.		1,170 278	1,185 278
3. Investigate & resolve formal & informal complaints.	% of complaints investigated & resolved.		100%	100%
4. Review & modify the Municipality's Affirmative Action Program to comply with new Federal Standards.	Develop Affirmative Action Plan in accordance with Federal Standards.			1

MUNICIPALITY OF ANCHORAGE

PERSONNEL SUMMARY

Page 181

DEPT.	Unit No.	DIV.	Unit No.	SEC.	Unit No.	
Office of the Mayor	1200	Equal Opportunity	1260	Equal Employment Opportunity	1261	
CLASSIFICATION	RANGE & STEP	POSITIONS 1979 BUDGET	1980			
			REQUESTED		RECOMMENDED	APPROVED
Senior Administrative Officer	15NF	1	1	34,252	1	34,252
Junior Administrative Officer	12C-D	1	1	21,090	1	21,090
Office Associate	9NB-C	1	1	15,546	1	15,546
Total		3	3	70,888	3	70,888

*These columns used for the number of positions in each classification.

COMMENTARY:

2 CETA positions support this budget unit.

OTHER PERSONAL SERVICES COMMENTARY		ESTIMATED HOURS	1980		
ACCT NO.	EXPLANATION		REQUESTED	RECOMMENDED	APPROVED
1200 Overtime 1201 Overtime		20	230	230	
1400 Personnel Benefits 31% x Salaries and Wages			21,980	21,980	

MUNICIPALITY OF ANCHORAGE

COMMENTARY

Page 182

DEPT.	Unit No.	DIV.	Unit No.	SEC.	Unit No.
Office of the Mayor	1200	Equal Opportunity	1260	Equal Employment Opportunity	1261
ACCOUNT NO.	LINE ITEM EXPLANATION		1980		
			Department Requested	Mayor Recommended	Assembly Approved
2100	Office Supplies		990	990	
2200	Operating Supplies		250	250	
3200	Communication		1,070	1,070	
	Long distance phone calls				
	Postage				
3300	Transportation		1,110	1,110	
3301	Travel Expense, Per Diem and Other Costs				
	6th Annual National Conference of the				
	American Association for Affirmative				
	Action, Los Angeles, California				
	800				
3302	Mileage				
	1,107 miles x .28/mile				
	310				
3400	Insurance		590	590	
3404	General Liability				
	(.0148 x Salaries & Overtime)				
3800	Miscellaneous		2,700	2,700	
3803	Printing and Binding				
	Affirmative Action Plan,				
	Equal Employment Opportunity Posters				
	2,160				
3805	Dues, Subscriptions and Memberships				
	540				

Department	Unit No.	Division	Unit No.	Section	Unit No.
Office of the Mayor	1200	Equal Employment Opportunity	1260	Equal Employment Opportunity	1261

ACCOUNT NUMBER	LINE ITEM EXPLANATION	1979	1980		
		Revised	Department Requested	Mayor Recommended	Assembly Approved
<u>Intragovernmental Charges from Others</u>					
1322 6103	General Accounting	200	230	220	
1323 6104	Payroll	320	520	470	
1324 6105	Accounts Payable	80	80	70	
1330 6107	Purchasing	110	90	90	
1422 6133	Mailroom & Courier	-0-	3,010	1,020	
1423 6134	Switchboard	-0-	3,250	2,110	
1424 6135	Custodial	3,660	2,120	740	
1425 6136	Records Management	1,360	1,370	1,430	
1426 6144	Space Management	17,040	8,880	3,260	
1428 6146	Building Maintenance	3,570	3,050	900	
1432 6139	Print Shop	3,560	730	3,250	
1433 6141	Illustrations	6,050	240	4,310	
1435 6137	Forms Management	1,380	1,260	2,690	
1436 6143	Copy	1,870	830	880	
1450 6148	Data Processing	-0-	33,100	28,950	
1620 6172	Civil Law	-0-	700	3,620	
1830 6073	Personnel	960	1,100	1,160	
1910 6081	Social Services-Administration	21,380	-0-	-0-	
7470 6747	Equipment Maintenance	150	2,820	2,820	
		61,690	63,380	57,990	

Department	Unit No.	Division	Unit No.	Section	Unit No.
Office of the Mayor	1200	Office of Equal Opportunity	1260	Minority Business Assistance	1262

MISSION

To promote the utilization of minority business firms on Municipal projects and implement federal agency Minority Business Enterprise (MBE) regulations for federally assisted Municipal projects.

SERVICES FOR 1980

Provide marketing, management and technical assistance to over 300 identified minority firms in the Municipality.

Provide reports on the status of minority businesses for Assembly and Administration review.

Implement the Municipality's MBE Program as applicable to federally assisted Municipal projects.

CHANGES IN SERVICE FROM 1979 LEVEL

The major change in service from the 1979 level will be the transition from a development phase of operation, i.e., Municipal review of proposed MBE documents and the establishment of Municipal recordkeeping procedures, to an implementation phase in which more assistance efforts will be provided to minority businesses.

NEED FOR 1980 LEVEL OF SERVICE

1. The Municipality has determined that assistance efforts are necessary to increase the number of minority firms participating in Municipal contracts.
2. Minority assistance programs are required as a condition of receiving federal funds on certain Municipal projects.
3. Social harmony

PERFORMANCE OBJECTIVES	PERFORMANCE MEASUREMENTS			
	DESCRIPTION	1978 ACTUAL	1979 ESTIMATE	1980 PLANNED
1. Increase minority participation in Municipal contracts and procurement awards.	# of awards and contracts received by minority firms.		TBD	TBD
2. Continue to refine and improve procedures to record MBE participation and assistance efforts on Municipal contracts.	# of satisfactory compliance reviews on federal MBE regulation. Availability of MBE data for Municipal review and reporting.		2	3
3. Develop a proposal and assist in the establishment of a "Clearinghouse" to coordinate and centralize contracting and procurement information, newsletters, invitations to bid, requests for proposals and other relevant information that will assist minority contractors in securing awards.	Development of Clearinghouse Proposal.			1
4. Increase the number of minority firms included in the MBE Directory by 25%.	# of firms included in the MBE Directory.		115	144

MUNICIPALITY OF ANCHORAGE

PERSONNEL SUMMARY

Page 186

DEPT.	Unit No.	DIV.	Unit No.	SEC.	Unit No.
Office of the Mayor	1200	Equal Opportunity	1260	Minority Business Assistance	1262

CLASSIFICATION	RANGE & STEP	POSITIONS 1979 BUDGET	1980				
			REQUESTED	RECOMMENDED	APPROVED		
Director, Office of Equal Opportunity	21E	1	1	38,500	1	38,500	
Office Associate	9NB-C	1	1	15,490	1	15,490	
Total		2	2	53,990	2	53,990	

*These columns used for the number of positions in each classification.

COMMENTARY:

OTHER PERSONAL SERVICES COMMENTARY		ESTIMATED HOURS	1980		
ACCT NO.	EXPLANATION		REQUESTED	RECOMMENDED	APPROVED
1400	Personnel Benefits 31% x Salaries and Wages		16,737	16,737	

MUNICIPALITY OF ANCHORAGE

COMPTROLLER

Page 187

DEPT.	Unit No.	DIV.	Unit No.	SEC.	Unit No.
Office of the Mayor	1200	Equal Opportunity	1260	Minority Business Assistance	1262
ACCOUNT NO.	LINE ITEM EXPLANATION	1980			Assembly Approved
		Department Requested	Mayor Recommended		
2100	Office Supplies	750	750		
2200	Operating Supplies Training Materials	220	220		
3200	Communication Long distance tolls	500	500		
3300	Transportation	910	910		
3301	Travel Expense, Per Diem and Other Costs Fourth Annual Regional Procurement, Nevada Summit Conference, Las Vegas, Nevada				
3400	Insurance	450	450		
3404	General Liability (.0083 x Salaries, Wages & Overtime)				
3600	Repairs and Maintenance Repair and Maintenance of office equipment	320	320		
3700	Rentals Meeting rooms and equipment	220	220		
3800	Miscellaneous	1,360	1,360		
3802	Advertising 760				
3805	Dues, Subscriptions and Memberships Publications and organizations 300				
3806	Tuition & Registration Fees 300 University courses and local seminars				

UNIVERSITY OF ANCHORAGE

Department	Unit No.	Division	Unit No.	Section	Unit No.
Office of the Mayor	1200	Equal Employment Opportunity	1260	Minority Business Assistance	1262

ACCOUNT NUMBER	LINE ITEM EXPLANATION	1979	1980		
		Revised	Department Requested	Mayor Recommended	Assembly Approved
	Intragovernmental Charges from Others				
1322 6103	General Accounting	140	110	110	
1323 6104	Payroll	210	340	320	
1324 6105	Accounts Payable	60	80	70	
1330 6107	Purchasing	80	90	90	
1422 6133	Mailroom & Courier	1,400	-0-	990	
1423 6134	Switchboard	470	-0-	850	
1424 6135	Custodial	2,830	2,800	2,260	
1426 6144	Space Management	13,170	11,700	9,980	
1428 6146	Building Maintenance	2,760	4,030	2,760	
1432 6139	Print Shop	-0-	550	3,500	
1433 6141	Illustrations	-0-	1,490	3,400	
1435 6137	Forms Management	-0-	80	650	
1520 6172	Civil Law	-0-	2,160	1,810	
1830 6073	Personnel	640	740	780	
		21,760	24,170	27,570	

MUNICIPALITY OF ANCHORAGE

Page 182

Department	Unit No.	Division	Unit No.	Section	Unit No.
Office of the Mayor	1200	Office of Equal Opportunity	1260	Contract Compliance	1263

MISSION
 To ensure that all municipal contractors doing business with the Municipality of Anchorage are in compliance with municipal ordinance and regulations concerning equal employment opportunity in municipal contracting.

SERVICES FOR 1980
 Continued implementation of the Municipality of Anchorage Contract Compliance Program.

CHANGES IN SERVICE FROM 1979 LEVEL
 Two major changes will occur in the Contract Compliance Program in 1980:

1. Development of a contractors' certification listing.
2. Attend pre-bid, bid openings and post bid conferences to explain compliance procedures to municipal bidders and advise Purchasing Officer of contractors not in compliance with regulations.

NEED FOR 1980 LEVEL OF SERVICE
 Municipal Ordinance 78-82 and Municipal Regulation 78-216; Federal Executive Order 11246; Title VI of the 1964 Civil Rights Act, CFR 44-17136, and the laws of the State of Alaska require EEO compliance with the Equal Employment Opportunity standards by contractors doing business with governmental units.

PERFORMANCE OBJECTIVES	PERFORMANCE MEASUREMENTS			
	DESCRIPTION	1978 ACTUAL	1979 ESTIMATE	1980 PLANNED
1. Review and monitor contracts let by the Municipality through formal bidding procedures to insure compliance with Municipal contracting laws regulations.	# of contractors	270	325	425
	# of contracts monitored	310	405	590
2. Investigate & resolve formal & informal complaints filed for noncompliance with ordinance & regulations.	% of contractors monitored through desk audits & on-site reviews			
	% of complaints investigated and resolved	98%	100%	100%

[illegible]

MUNICIPALITY OF ANCHORAGE

PERSONNEL SUMMARY

Page 191

DEPT. Office of the Mayor	Unit No. 1200	DIV. Equal Opportunity	Unit No. 1260	SEC. Contract Compliance	Unit No. 1263
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CLASSIFICATION	RANGE & STEP	POSITIONS 1979 BUDGET	1980				
			REQUESTED		RECOMMENDED		APPROVED
Senior Administrative Officer	15N-F	1	1	34,760	1	34,760	
Total		1	1	34,760	1	34,760	

*These columns used for the number of positions in each classification.

COMMENTARY:

Two (2) permanent and three (3) temporary CETA positions support this budget unit.

OTHER PERSONAL SERVICES COMMENTARY		ESTIMATED HOURS	1980		
ACCT NO.	EXPLANATION		REQUESTED	RECOMMENDED	APPROVED
1400	Personnel Benefits 31% x Salaries and Wages		10,780	10,780	

MUNICIPALITY OF ANCHORAGE

COMMENTARY

Page 192

DEPT.	Unit No.	DIV.	Unit No.	SEC.	Unit No.
Office of the Mayor	1200	Equal Opportunity	1260	Contract Compliance	1263
ACCOUNT NO.	LINE ITEM EXPLANATION	1980			
		Department Requested	Mayor Recommended	Assembly Approved	
2100	Office Supplies	1,150	1,150		
3200	Communication	1,000	1,000		
	Long distance calls				
3300	Transportation	2,810	2,810		
3301	Travel Expense, Per Diem and Other Costs				
	Office of Federal Contract Compliance				
	Officials Meeting, Seattle, Washington				
	540				
	U.S. Civil Service League Equal Employment Opportunity Compliance Conference, San Francisco, California				
	830				
3302	Mileage				
	5,150 miles x .28/mile				
	1,440				
3400	Insurance	290	290		
3404	General Liability				
	(.0083 x Salaries & Overtime)				
3600	Repairs and Maintenance	200	200		
	Periodic maintenance of office equipment				
3800	Miscellaneous	4,200	4,200		
3804	Court Costs, Investigations, Filing Fees				
	Cost of initiating formal action on complaints, subpoenas, etc.				
	3,200				
3805	Dues, Subscriptions and Memberships				
	Bureau of National Affairs				
	Compliance Manual and Compliance Reports				
	600				
3806	Tuition and Registration Fees				
	Continuing education in work related subjects at local schools or colleges				
	400				
5400	Machinery and Equipment	210	210		
	1 Executive chair				

Department	Unit No.	Division	Unit No.	Section	Unit No.
Office of the Mayor	1200	Equal Employment Opportunity	1260	Contract Compliance	1263

ACCOUNT NUMBER	LINE ITEM EXPLANATION	1979	1980		
		Revised	Department Requested	Mayor Recommended	Assembly Approved
<u>Intragovernmental Charges from Others</u>					
1322 6103	General Accounting	280	340	330	
1323 6104	Payroll	110	170	160	
1324 6105	Accounts Payable	120	150	130	
1330 6107	Purchasing	150	180	170	
1422 6133	Mailroom & Courier	1,400	-0-	990	
1423 6134	Switchboard	2,790	-0-	3,380	
1424 6135	Custodial	2,790	2,800	1,870	
1426 6144	Space Management	13,020	11,700	8,250	
1428 6146	Building Maintenance	2,710	4,030	2,280	
1432 6139	Print Shop	100	90	1,080	
1433 6141	Illustrations	-0-	-0-	1,010	
1435 6137	Forms Management	750	760	1,670	
1436 6143	Copy	1,870	2,620	2,770	
1610 6171	Law Administration	36,510	-0-	-0-	
1620 6172	Civil Law	3,050	700	1,810	
1830 6073	Personnel	320	370	390	
7470 6747	Equipment Maintenance	-0-	7,320	3,660	
		65,970	31,230	29,950	

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Could use 'consent calendar'

Assembly mulls streamline plan

By BILL WILSON
Daily News reporter

The Anchorage Assembly will consider streamlining its meetings Tuesday night when a "consent calendar" proposal is aired.

Consent calendars are employed by many legislative bodies. They save time by enabling the lawmakers to okay or dismiss a passel of routine items in a single vote rather than tediously listing each one for a separate ballot. The measure is proposed by Ernie Brannon and Dave Walsh, chairman and vice chairman, respectively.

The ordinance that would install the new rules of procedure also calls for a 10-minute time limit on citizens speaking to the assembly.

The assembly is also on the verge of dropping its practice of conducting a work session in lieu of a meeting the first Tuesday of every month. Although the work sessions are considered useful in examining issues in detail, they have resulted in something of a pileup of business.

Other items on Tuesday's agenda:

- Minority business aid. A measure committing Anchorage to even handed treatment of minority enterprises is on the docket. It would prohibit racial discrimination in the awarding of municipal contracts

and pay personnel to monitor minority business affairs.

- Improvements of Merrill Field. Federal and state grants enable \$2,394,000 worth of work to be done in exchange for a mere \$74,813 municipal appropriation. The work would fund a taxiway south of Merrill Field Drive, tiedown improvements, construction of new tiedown areas, exits from the main runway, taxiway extensions, snow removal equipment, fencing and erosion control.

- In a long-standing zoning hassle, the assembly will consider a push to change 135 acres in the upper Huffman area along the Glenn Alps Road to allow for a subdivision.

- The municipality has owned a shabby trailer court in Girdwood for years, and began moves to sell the property last December when this year's budget was assembled. Residents of the court would purchase the property and its dubious water system if the assembly approves.

- Last but far from least is the Parkwood development on the Hillside. The Parkwood Company and the Planning and Zoning Commission have gone round after round over the number of homes the land should support. The zoners say 37, developers 41. Parkwood is appealing the limit to the assembly.

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PART II—TEXT OF TITLE VII AND TITLE XI OF THE CIVIL RIGHTS ACT OF 1964 WITH ANNOTATIONS TO THE LEGISLATIVE HISTORY

TITLE VII—EQUAL EMPLOYMENT OPPORTUNITY

DEFINITIONS

Sec. 701. For the purposes of this title—

(a) The term "person" includes one or more individuals, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers.

EDITORS' NOTE: The definition of "person" is taken without change from the bill reported on November 20, 1963, by the House Judiciary Committee. (See page 2009.)

(b) The term "employer" means a person engaged in an industry affecting commerce who has twenty-five or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, and any agent of such a person, but such term does not include (1) the United States, a corporation wholly owned by the Government of the United States, an Indian tribe, or a State or political subdivision thereof, (2) a bona fide private membership club (other than a labor organization) which is exempt from taxation under section 501(c) of the Internal Revenue Code of 1954: *Provided*, That during the first year after the effective date prescribed in subsection (a) of section 716, persons having fewer than one hundred employees (and their agents) shall not be considered employers, and, during the second year after such date, persons having fewer than seventy-five employees (and their agents) shall not be considered employers, and, during the third year after such date, persons having fewer than fifty employees (and their agents) shall not be considered employers: *Provided further*, That it shall be the policy of the United States to insure equal employment opportunities for Federal employees without discrimination because of race, color, religion, sex or national origin and the President shall utilize his existing authority to effectuate this policy.

EDITORS' NOTE: The bill reported by the House Judiciary Committee provided that the definition of an "employer" would not include persons having fewer than 100 employees during the first year of the Act and 50 employees during the second year of the Act. This provision was amended on the House floor by an amendment introduced by Congressman Willis (D., La.) and amended by Congressman Lindsay (R., N.Y.) to add an intermediate step of 75 employees during the second year after the effective date of the Act. Since the Title VII provisions did not become effective until a year after adoption of the Act, the amendment delayed the effective date of the Act's maximum coverage until the beginning of the fifth year after passage. The

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Wilf's amendment, as modified by the Lindsay amendment, was adopted by a division vote of 107 to 31. (See page 3103.) The Senate modified the provision to provide that an employer will be covered only if he has 25 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year. It also added a provision specifying that a policy of nondiscrimination applies to all federal employees, even though the United States is exempted from the definition of an "employer." During the Senate debate on the measure, both Senator Humphrey (D., Minn.) and Senator Dirksen (R., Ill.) explained these changes. (See pages 3004 and 3017.)

(c) The term "employment agency" means any person regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer and includes an agent of such a person; but shall not include an agency of the United States, or an agency of a State or political subdivision of a State, except that such term shall include the United States Employment Service and the system of State and local employment services receiving Federal assistance.

EDITORS' NOTE: The definition of "employment agency" was in the bill reported by the House Judiciary Committee. It was adopted by the House unchanged, incorporated in the Senate compromise, and became a part of the Act as finally approved. (See page 2009.)

(d) The term "labor organization" means a labor organization engaged in an industry affecting commerce, and any agent of such an organization, and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, and any conference, general committee, joint or system board, or joint council so engaged which is subordinate to a national or international labor organization.

EDITORS' NOTE: The definition of a "labor organization" is that included in the bill reported by the House Judiciary Committee. No changes were made by the House or the Senate. It is essentially the same as the definition in the Labor-Management Reporting and Disclosure Act, although the latter specifically excludes a "State or local central body." (See page 2009.)

(e) A labor organization shall be deemed to be engaged in an industry affecting commerce if (1) it maintains or operates a hiring hall or hiring office which procures employees for an employer or procures for employees opportunities to work for an employer, or (2) the number of its members (or, where it is a labor organization composed of other labor organizations or their representatives, if the aggregate number of the members of such other labor organization) is (A) one hundred or more during the first year after the effective date prescribed in subsection (a) of section 716, (B) seventy-five or more during the second year after such date or fifty or more during

the third year, or (C) twenty-five or more thereafter, and such labor organization—

(1) is the certified representative of employees under the provisions of the National Labor Relations Act, as amended, or the Railway Labor Act, as amended;

(2) although not certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of employees of an employer or employers engaged in an industry affecting commerce; or

(3) has chartered a local labor organization or subsidiary body which is representing or actively seeking to represent employees of employers within the meaning of paragraph (1) or (2); or

(4) has been chartered by a labor organization representing or actively seeking to represent employees within the meaning of paragraph (1) or (2) as the local or subordinate body through which such employees may enjoy membership or become affiliated with such labor organization; or

(5) is a conference, general committee, joint or system board, or joint council subordinate to a national or international labor organization, which includes a labor organization engaged in an industry affecting commerce within the meaning of any of the preceding paragraphs of this subsection.

EDITORS' NOTE: The Dirksen-Mansfield substitute adopted by the Senate and later the House broadened the definition of a "labor organization" deemed to be engaged "in an industry affecting commerce" by adding to the criteria "it maintains or operates a hiring hall or hiring office which procures employees for an employer or procures for employees opportunities to work for an employer." (See pages 3003 and 3017 for explanations by Senator Humphrey (D., Minn.) and Senator Dirksen (R., Ill.) of this change.

(f) The term "employee" means an individual employed by an employer.

(g) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States; or between a State and any place outside thereof; or within the District of Columbia, or a possession of the United States; or between points in the same State but through a point outside thereof.

(h) The term "industry affecting commerce" means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry "affecting commerce" within the meaning of the Labor-Management Reporting and Disclosure Act of 1959.

(i) The term "State" includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act.

EDITORS' NOTE: The definitions of "employee," "commerce," "industry affecting commerce," and "State" are those in the bill reported by the House Judiciary Committee. They were not changed by the House or the Senate. (See pages 2009, 2010.)

EXEMPTION

Sec. 702. This title shall not apply to an employer with respect to the employment of aliens outside any State, or to a religious corporation, association, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, or society of its religious activities or to an educational institution with respect to the employment of individuals to perform work connected with the educational activities of such institution.

EDITORS' NOTE: The Dirksen-Mansfield substitute adopted by the Senate and later by the House changed the exemption in two ways. First, it limited the exemption of a religious corporation, association, or society to the employment of individuals of a particular religion to perform work connected with its religious activities. Second, it provided a similar exemption for an educational institution with respect to the employment of individuals to perform work connected with the educational activities of the institution. (See pages 3004 and 3017 for explanations by Senator Humphrey (D., Minn.) and Senator Dirksen (R., Ill.) of this change.)

DISCRIMINATION BECAUSE OF RACE, COLOR, RELIGION, SEX, OR NATIONAL ORIGIN

Sec. 703. (a) It shall be an unlawful employment practice for an employer—

(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or

(2) to limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin.

(b) It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his race, color, religion, sex, or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, sex, or national origin.

(c) It shall be an unlawful employment practice for a labor organization—

(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, sex, or national origin;

(2) to limit, segregate, or classify its membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an

employee or as an applicant for employment, because of such individual's race, color, religion, sex, or national origin; or

(3) to cause or attempt to cause an employer to discriminate against an individual in violation of this section.

(d) It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs to discriminate against any individual because of his race, color, religion, sex, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.

EDITORS' NOTE: The discrimination provisions remained essentially the same from the reporting of a bill by the House Judiciary Committee through the adoption of the Dirksen-Mansfield substitute by the Senate and the House—with one important exception. An amendment introduced in the House by Congressman Smith (D., Va.) added "sex" as one of the forbidden bases of discrimination. This amendment was adopted by the House and remained in the Dirksen-Mansfield substitute adopted by the Senate. Correcting amendments were adopted in the House. (See pages 3213 to 3232 for a discussion of the action in the House on the Smith amendment.) A conforming amendment made in the Senate included in the definition of unfair employment practices by labor organizations the operation of hiring halls by labor organizations. (See page 3017 for a discussion by Senator Dirksen of this change.)

(e) Notwithstanding any other provision of this title, (1) it shall not be an unlawful employment practice for an employer to hire and employ employees, for an employment agency to classify, or refer for employment any individual, for a labor organization to classify its membership or to classify or refer for employment any individual, or for an employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining programs to admit or employ any individual in any such program, on the basis of his religion, sex, or national origin in those certain instances where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of that particular business or enterprise, and (2) it shall not be an unlawful employment practice for a school, college, university, or other educational institution or institution of learning to hire and employ employees of a particular religion if such school, college, university, or other educational institution or institution of learning is, in whole or in substantial part, owned, supported, controlled, or managed by a particular religion or by a particular religious corporation, association, or society, or if the curriculum of such school, college, university, or other educational institution or institution of learning is directed toward the propagation of a particular religion.

EDITORS' NOTE: The bill passed by the House provided that it would not be an unlawful employment practice for an employer to hire employees of a particular religion, sex, or national origin where

ation reasonably necessary to the normal operation of that particular business or enterprise. The Dirksen-Mansfield substitute adopted by the Senate and later by the House broadened the exemption to extend to (1) employment agencies when classifying or referring individuals for employment, (2) labor organizations when classifying its membership or classifying individuals for employment, (3) employers, labor organizations, or joint labor-management committees controlling apprenticeship or other training programs. See page 3017 for an explanation by Senator Dirksen (R., Ill.) of this change.

(f) As used in this title, the phrase "unlawful employment practice" shall not be deemed to include any action or measure taken by an employer, labor organization, joint labor-management committee, or employment agency with respect to an individual who is a member of the Communist Party of the United States or of any other organization required to register as a Communist-action or Communist-front organization by final order of the Subversive Activities Control Board pursuant to the Subversive Activities Control Act of 1950.

EDITORS' NOTE: The "Communist exception" to the provisions prohibiting unlawful employment practices was inserted on the floor of the House on the basis of an amendment proposed by Congressman Cramer (D., Miss.). (See pages 3175 to 3177 for the discussion which preceded the adoption of the amendment.) Although the Senate rejected the Colmer amendment, it deleted a similar exception with respect to atheists. As explained by Senator Humphrey (D., Minn.), the atheist exception was deleted because of doubtful constitutionality. (See pages 3101 and 3005.)

(g) Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to fail or refuse to hire and employ any individual for any position, for an employer to discharge any individual from any position, or for an employment agency to fail or refuse to refer any individual for employment in any position, or for a labor organization to fail or refuse to refer any individual for employment in any position, if—

(1) the occupancy of such position, or access to the premises in or upon which any part of the duties of such position is performed or is to be performed, is subject to any requirement imposed in the interest of the national security of the United States under any security program in effect pursuant to or administered under any statute of the United States or any Executive order of the President; and

(2) such individual has not fulfilled or has ceased to fulfill that requirement.

EDITORS' NOTE: The "security exception" was inserted by the Dirksen-Mansfield substitute in the Senate. There was no comparable provision in the House bill. (See page 3005 for an explanation by Senator Humphrey (D., Minn.) of the reasons for the amendment.)

(h) Notwithstanding any other provision of this title, it shall not be an unlawful employment practice for an employer to fail or refuse to hire and employ any individual for any position, for an employer to discharge any individual from any position, or for an employment agency to fail or refuse to refer any individual for employment in any position, or for a labor organization to fail or refuse to refer any individual for employment in any position, if—

ent standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system, or a system which measures earnings by quantity or quality of production or to employees who work in different locations, provided that such differences are not the result of an intention to discriminate because of race, color, religion, sex, or national origin, nor shall it be an unlawful employment practice for an employer to give and to act upon the results of any professionally developed ability test provided that such test, its administration or action upon the results is not designed, intended or used to discriminate because of race, color, religion, sex or national origin. It shall not be an unlawful employment practice under this title for any employer to differentiate upon the basis of sex in determining the amount of the wages or compensation paid or to be paid to employees of such employer if such differentiation is authorized by the provisions of section 6(d) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(d)).

EDITORS' NOTE: The three exceptions provided by this subsection were all inserted in the Senate. The exception relating to seniority, merit, or incentive systems was added by the Dirksen-Mansfield substitute. (See page 3005 for an explanation by Senator Humphrey (D., Minn.)). The exception relating to use of a professionally developed ability test was adopted on the Senate floor on the basis of an amendment introduced by Senator Tower (R., Tex.). (See pages 3129 to 3163 for the debate leading to adoption of this amendment.) The exception relating to a wage differential based on sex if permitted under the Fair Labor Standards Act was adopted on the Senate floor on the basis of an amendment introduced by Senator Bennett (R., Utah). (See pages 3233 to 3234 for the debate relating to the Bennett amendment.)

→ (i) Nothing contained in this title shall apply to any business or enterprise on or near an Indian reservation with respect to any publicly announced employment practice of such business or enterprise under which a preferential treatment is given to any individual because he is an Indian living on or near a reservation.

EDITORS' NOTE: The "Indian exemption" was added by the Dirksen-Mansfield substitute in the Senate. (See page 3005 for an explanation by Senator Humphrey (D., Minn.) of the reasons for the change.)

(j) Nothing contained in this title shall be interpreted to require any employer, employment agency, labor organization, or joint labor-management committee subject to this title to grant preferential treatment to any individual or to any group because of the race, color, religion, sex, or national origin of such individual or group on account of an imbalance which may exist with respect to the total number or percentage of persons of any race, color, religion, sex, or national origin employed by any employer, referred or classified for employment by any employment agency or labor organization, admitted to membership or classified by any labor organization, or admitted to, or employed in, any apprenticeship or other training program, in comparison with the total number or percentage of persons of such race, color,

other area; or in the available work force in any community, State, section, or other area.

EDITORS' NOTE: During the debate in the Senate, opponents of title VII expressed fear that it would require employers to maintain racial balance among employees by some form of quota hiring. The Erksen-Mansfield substitute added this provision to make clear that quota hiring would not be required. (See page 3005 for an explanation by Senator Humphrey (D., Minn.) of the reason for the provision; to see pages 3187 to 3190 for debate on the matter.)

OTHER UNLAWFUL EMPLOYMENT PRACTICES

SEC. 704. (a) It shall be an unlawful employment practice for an employer to discriminate against any of his employees or applicants for employment, for an employment agency to discriminate against an individual, or for a labor organization to discriminate against any member thereof or applicant for membership, because he has opposed such practice made an unlawful employment practice by this title, or because he has made a charge, testified, assisted, or participated in any way in an investigation, proceeding, or hearing under this title.

EDITORS' NOTE: The provision for the unfair employment practice of "retaliation" was in the bill reported by the House Judiciary Committee. It was retained in the bill finally approved. (See page 3005.)

It shall be an unlawful employment practice for an employer, organization, or employment agency to print or publish or cause to be printed or published any notice or advertisement relating to employment by such an employer or membership in or any classification or referral for employment by such a labor organization, or to any classification or referral for employment by such an employment agency, indicating any preference, limitation, specification, or discrimination, based on race, color, religion, sex, or national origin, except that such a notice or advertisement may indicate a preference, limitation, specification, or discrimination based on religion, sex, or national origin when religion, sex, or national origin is a bona fide occupational qualification for employment.

EDITORS' NOTE: Two amendments were made to this provision on the House floor. First, Congressman Celler (D., N.Y.) proposed the House adopted a change adding "national origin" to "religion" as a preference in advertising for jobs for which religion or national origin is a bona fide occupational qualification for employment. (See pages 3179 to 3181 for debate on the Celler amendment.) Representative Bolton (D., Ohio) proposed and the House adopted an amendment adding "sex" to "religion" and "national origin" as a preference in advertising for jobs for which religion, national origin, or sex is a bona fide occupational qualification for employment. (See pages 3229 to 3232 for debate on the Bolton amendment.)

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SEC. 705. (a) There is hereby created a Commission to be known as the Equal Employment Opportunity Commission, which shall be composed of five members, not more than three of whom shall be members of the same political party, who shall be appointed by the President by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, and one for a term of five years, beginning from the date of enactment of this title, but their successors shall be appointed for terms of five years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission, and one member to serve as Vice Chairman. The Chairman shall be responsible on behalf of the Commission for the administrative operations of the Commission, and shall appoint, in accordance with the civil service laws, such officers, agents, attorneys, and employees as it deems necessary to assist it in the performance of its functions and to fix their compensation in accordance with the Classification Act of 1949, as amended. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman or in the event of a vacancy in that office.

EDITORS' NOTE: Section 705(a) was taken from the bill reported by the House Judiciary Committee. (See pages 2027 and 2087.) An amendment introduced in the Senate by Senator Thurmond (D., S.C.) That would have provided for election by the Commission of its Chairman and Vice Chairman was defeated by a vote of 13 to 70. (See pages 3271 to 3274.)

(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

(c) The Commission shall have an official seal which shall be judicially noticed.

(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the moneys it has disbursed; and shall make such further reports on the cause of and means of eliminating discrimination and such recommendations for further legislation as may appear desirable.

(e) The Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2201-2209), is further amended—

(1) by adding to section 105 thereof (5 U.S.C. 2204) the following clause:

"(32) Chairman, Equal Employment Opportunity Commission"; and

(2) by adding to clause (45) of section 106(a) thereof (5 U.S.C. 2205(a)) the following: "Equal Employment Opportunity Commission (4)."

(f) The following—

State offices as it deems necessary to accomplish the purpose of this title.

(g) The Commission shall have power—

(1) to cooperate with and, with their consent, utilize regional, State, local, and other agencies, both public and private, and individuals;

(2) to pay to witnesses whose depositions are taken or who are summoned before the Commission or any of its agents the same witness and mileage fees as are paid to witnesses in the courts of the United States;

(3) to furnish to persons subject to this title such technical assistance as they may request to further their compliance with this title or an order issued thereunder;

(4) upon the request of (i) any employer, whose employees or some of them, or (ii) any labor organization, whose members or some of them, refuse or threaten to refuse to cooperate in effectuating the provisions of this title, to assist in such effectuation by conciliation or such other remedial action as is provided by this title;

(5) to make such technical studies as are appropriate to effectuate the purposes and policies of this title and to make the results of such studies available to the public;

(6) to refer matters to the Attorney General with recommendations for intervention in a civil action brought by an aggrieved party under section 706, or for the institution of a civil action by the Attorney General under section 707, and to advise, consult, and assist the Attorney General on such matters.

h) Attorneys appointed under this section may, at the direction of the Commission, appear for and represent the Commission in any court.

i) The Commission shall, in any of its educational or promotional activities, cooperate with other departments and agencies in the performance of such educational and promotional activities.

DIT NOTE: The Dirksen-Mansfield substitute in the Senate made a number of changes in Section 706 (renumbered 705) as passed by the House. Subsection (e) was amended to make a technical revision to state the compensation of the Commission members under the Federal Executive Pay Act of 1956. Subsection (f) was revised to provide specifically that the Commission may establish offices, as well as regional offices, and that its principal office may be either in or near the District of Columbia. Subsection (g) is amended to require expressly the consent of State or local agencies before they can be utilized by the Commission, to limit the action which the Commission may take, to extend the provisions of the clause to labor organizations, and to make the results of the studies made by the Commission available to the public instead of to governmental and non-governmental agencies. A new clause (j)(6) was added to provide that the Commission can make recommendations to the Attorney General with respect to intervention in a civil action brought by an aggrieved party under Section 706 for institution of a civil action.

under Section 707, and advise, consult, and assist the Attorney General on such matters. (See pages 3006 and 3018 for explanations by Senator Humphrey (D., Minn.) and Senator Dirksen (R., Ill.) of these changes.)

(j) All officers, agents, attorneys, and employees of the Commission shall be subject to the provisions of section 9 of the Act of August 2, 1939, as amended (the Hatch Act), notwithstanding any exemption contained in such section.

EDITORS' NOTE: Subsection 705(j) was inserted by an amendment offered on the Senate floor by Senator Miller (R., Iowa). The amendment was adopted by a voice vote. (See page 3319 for the debate preceding adoption.)

PREVENTION OF UNLAWFUL EMPLOYMENT PRACTICES

SEC. 706. (a) Whenever it is charged in writing under oath by a person claiming to be aggrieved, or a written charge has been filed by a member of the Commission where he has reasonable cause to believe a violation of this title has occurred (and such charge sets forth the facts upon which it is based) that an employer, employment agency, or labor organization has engaged in an unlawful employment practice, the Commission shall furnish such employer, employment agency, or labor organization (hereinafter referred to as the "respondent") with a copy of such charge and shall make an investigation of such charge, provided that such charge shall not be made public by the Commission. If the Commission shall determine, after such investigation, that there is reasonable cause to believe that the charge is true, the Commission shall endeavor to eliminate any such alleged unlawful employment practice by informal methods of conference, conciliation, and persuasion. Nothing said or done during and as a part of such endeavors may be made public by the Commission without the written consent of the parties, or used as evidence in a subsequent proceeding. Any officer or employee of the Commission, who shall make public in any manner whatever any information in violation of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned not more than one year.

EDITORS' NOTE: A number of changes were made in Subsection (a), as passed by the House, by the Dirksen-Mansfield substitute in the Senate. The authority to bring a charge "on behalf of" a person claiming to be aggrieved was deleted, so that a charge may be brought only by the person claiming to be aggrieved or a member of the Commission. Another amendment added that the charge shall not be made public by the Commission. The provision that two members of the Commission may make a determination was stricken, leaving the required number of members to be determined by the customary rules of agency organization. A provision for obtaining a written decision describing practices the respondent was engaged in was deleted.

added that anything said or done during the conciliation endeavors may be made public by the Commission without consent of the parties. There is a criminal penalty for any officer or employee of the Commission who violates this requirement. (See pages 3018 and 3003 for explanations of these changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.))

(h) In the case of an alleged unlawful employment practice occurring in a State, or political subdivision of a State, which has a State or local law prohibiting the unlawful employment practice alleged and establishing or authorizing a State or local authority to grant or seek relief from such practice or to institute criminal proceedings with respect thereto upon receiving notice thereof, no charge may be filed under subsection (a) by the person aggrieved before the expiration of sixty days after proceedings have been commenced under the State or local law, unless such proceedings have been earlier terminated, provided that such sixty-day period shall be extended to one hundred and twenty days during the first year after the effective date of such State or local law. If any requirement for the commencement of such proceedings is imposed by a State or local authority other than a requirement of the filing of a written and signed statement of the facts upon which the proceeding is based, the proceeding shall be deemed to have been commenced for the purposes of this subsection at the time such statement is sent by registered mail to the appropriate State or local authority.

(c) In the case of any charge filed by a member of the Commission alleging an unlawful employment practice occurring in a State or political subdivision of a State, which has a State or local law prohibiting the practice alleged and establishing or authorizing a State or local authority to grant or seek relief from such practice or to institute criminal proceedings with respect thereto upon receiving notice thereof, the Commission shall, before taking any action with respect to such charge, notify the appropriate State or local officials, upon request, afford them a reasonable time, but not less than sixty days (provided that such sixty-day period shall be extended to one hundred and twenty days during the first year after the effective day of such State or local law), unless a shorter period is requested, to act under such State or local law to remedy the practice alleged.

(d) A charge under subsection (a) shall be filed within ninety days after the alleged unlawful employment practice occurred, except that in the case of an unlawful employment practice with respect to which the person aggrieved has followed the procedure set out in subsection (b), such charge shall be filed by the person aggrieved within two hundred and ten days after the alleged unlawful employment practice occurred, or within thirty days after receiving notice that the State or local agency has terminated the proceedings under the State or local law, whichever is earlier, and a copy of such charge shall be filed by the Commission with the State or local agency.

(e) If within thirty days after a charge is filed with the Commission or within thirty days after expiration of any period of reference under subsection (c) (except that in either case such period may be extended to not more than sixty days upon a determination by the

warranted), the Commission has been unable to obtain voluntary compliance with this title, the Commission shall so notify the person aggrieved and a civil action may, within thirty days thereafter, be brought against the respondent named in the charge (1) by the person claiming to be aggrieved, or (2) if such charge was filed by a member of the Commission, by any person whom the charge alleges was aggrieved by the alleged unlawful employment practice. Upon application by the complainant and in such circumstances as the court may deem just, the court may appoint an attorney for such complainant and may authorize the commencement of the action without the payment of fees, costs, or security. Upon timely application, the court may, in its discretion, permit the Attorney General to intervene in such civil action if he certifies that the case is of general public importance. Upon request, the court may, in its discretion, stay further proceedings for not more than sixty days pending the termination of State or local proceedings described in subsection (b) or the efforts of the Commission to obtain voluntary compliance.

EDITORS' NOTE: Subsections (b) and (c) in the House bill were substantially modified by the Dirksen Mansfield substitute in the Senate and were replaced by Subsections (b), (c), (d), and (e). The modifications, it was pointed out, took into account the many States which have State or local FEP laws. Subsections (b) and (c) provide for deferral to state or local agencies for 60 or 120 days; Subsection (d) specifies time limits for filing charges where (1) there is no State or local law and (2) where there is such a law. Subsection (e) provides for filing of a court action by a person aggrieved after efforts by the Commission to obtain voluntary compliance have failed. (See pages 3003 and 3018 for explanations of these changes by Senator Humphrey (D., Minn.) and Senator Dirksen (R., Ill.))

(f) Each United States district court and each United States court of a place subject to the jurisdiction of the United States shall have jurisdiction of actions brought under this title. Such an action may be brought in any judicial district in the State in which the unlawful employment practice is alleged to have been committed, in the judicial district in which the employment records relevant to such practice are maintained and administered, or in the judicial district in which the plaintiff would have worked but for the alleged unlawful employment practice, but if the respondent is not found within any such district, such an action may be brought within the judicial district in which the respondent has his principal office. For purposes of sections 1404 and 1406 of title 28 of the United States Code, the judicial district in which the respondent has his principal office shall in all cases be considered a district in which the action might have been brought.

EDITORS' NOTE: The Dirksen Mansfield substitute in the Senate revised the venue provisions in the bill passed by the House. The House bill provided for suit either in the district in which the unlawful employment practice occurred or in the district in which the respondent's principal office is located. (See pages 3006 and 3018 for explanations of this change by Senator Humphrey (D., Minn.) and

(g) If the court finds that the respondent has intentionally engaged in or is intentionally engaging in an unlawful employment practice charged in the complaint, the court may enjoin the respondent from engaging in such unlawful employment practice, and order such affirmative action as may be appropriate, which may include reinstatement or hiring of employees, with or without back pay (payable by the employer, employment agency, or labor organization, as the case may be, responsible for the unlawful employment practice). Interim earnings or amounts earnable with reasonable diligence by the person or persons discriminated against shall operate to reduce the back pay otherwise allowable. No order of the court shall require the admission or reinstatement of an individual as a member of a union or the hiring, reinstatement, or promotion of an individual as an employee, or the payment to him of any back pay, if such individual was refused admission, suspended, or expelled or was refused employment or advancement or was suspended or discharged for any reason other than discrimination on account of race, color, religion, sex or national origin or in violation of section 704(a).

EDITORS' NOTE: The Dirksen-Mansfield substitute in the Senate modified this Section to require a showing of "intentional" violation in order to obtain relief. This was described as a "clarifying" change. The Section also was amended to add "sex" to the forbidden bases of discrimination and thus correct an oversight in the House bill. See pages 3019 and 3006 for explanations of these changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).

(h) The provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101-115), shall not apply with respect to civil actions brought under this section.

EDITORS' NOTE: This Section exempting proceedings under Title VII from the Norris-LaGuardia Anti-Injunction Act was in the bill reported by the House Judiciary Committee and was not changed in the House or Senate. See page 2012.

(i) In any case in which an employer, employment agency, or labor organization fails to comply with an order of a court issued in a civil action brought under subsection (e), the Commission may commence proceedings to compel compliance with such order.

EDITORS' NOTE: The Dirksen-Mansfield substitute in the Senate added this Section to give the Commission authority to go to court to seek compliance with a court order previously issued under Title VII. A Section in the House bill relating to the use of masters was deleted, leaving the provisions of the Federal Rules of Civil Procedure governing the use of masters as controlling. (See pages 3019 and 3007 for explanations of these changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

(j) Any civil action brought under subsection (e) and any proceedings brought under subsection (i) shall be subject to appeal as provided in sections 1291 and 1292, title 28, United States Code.

(k) In any action or proceeding under this title the court, in its discretion, may allow the prevailing party, other than the Commission or the United States, a reasonable attorney's fee as part of the costs, and the Commission and the United States shall be liable for costs the same as a private person.

EDITORS' NOTE: Subsection (j) was added by the Dirksen-Mansfield substitute in the Senate. Subsection (k) was expanded by the substitute to permit a court to award the prevailing party, other than the Commission or the United States, a reasonable attorney's fee as part of the costs and to make both the Commission and the United States liable for costs. (See pages 3019 and 3007 for explanations of these changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

SEC. 707. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights secured by this title, and that the pattern or practice is of such a nature and is intended to deny the full exercise of the rights herein described, the Attorney General may bring a civil action in the appropriate district court of the United States by filing with it a complaint (1) signed by him (or in his absence the Acting Attorney General), (2) setting forth facts pertaining to such pattern or practice, and (3) requesting such relief, including an application for a permanent or temporary injunction, restraining order or other order against the person or persons responsible for such pattern or practice, as he deems necessary to insure the full enjoyment of the rights herein described.

(b) The district courts of the United States shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section, and in any such proceeding the Attorney General may file with the clerk of such court a request that a court of three judges be convened to hear and determine the case. Such request by the Attorney General shall be accompanied by a certificate that, in his opinion, the case is of general public importance. A copy of the certificate and request for a three-judge court shall be immediately furnished by such clerk to the chief judge of the circuit (or in his absence, the presiding circuit judge of the circuit) in which the case is pending. Upon receipt of such request it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit, of whom at least one shall be a circuit judge and another of whom shall be a district judge of the court in which the proceeding was instituted, to hear and determine such case, and it shall be the duty of the judges so designated to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited. An appeal from the final judgment of such court will lie to the Supreme Court.

In the event the Attorney General fails to file such a request in any such proceeding, it shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the case is pending immediately to designate a judge in such district to hear and determine the case. In the event that no judge in the district is available to hear and determine the case, the chief judge of the district, or the

acting chief judge, as the case may be, shall certify this fact to the chief judge of the circuit (or in his absence, the acting chief judge) who shall then designate a district or circuit judge of the circuit to hear and determine the case.

It shall be the duty of the judge designated pursuant to this section to assign the case for hearing at the earliest practicable date and to cause the case to be in every way expedited.

EDITORS' NOTE: Section 707 was a new section added by the Dirksen-Mansfield substitute in the Senate authorizing suits by the Attorney General where there is a "pattern or practice of resistance" to full enjoyment of rights guaranteed by Title VII. (See pages 3019 and 3004 for explanations of this change by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

EFFECT ON STATE LAWS

SEC. 708. Nothing in this title shall be deemed to exempt or relieve any person from any liability, duty, penalty, or punishment provided by any present or future law of any State or political subdivision of a State, other than any such law which purports to require or permit the doing of any act which would be an unlawful employment practice under this title.

EDITORS' NOTE: As passed by the House, Section 708 contained Subsections (a) and (b). The Dirksen-Mansfield in the Senate, however, deleted Subsection (b) which provided for the ceding of federal jurisdiction to state or local agencies. This was replaced by Section 706, which gives state or local agencies exclusive jurisdiction for a limited period of time. (See pages 3018 and 3006 for explanations of this change by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

INVESTIGATIONS, INSPECTIONS, RECORDS, STATE AGENCIES

SEC. 709. (a) In connection with any investigation of a charge filed under section 706, the Commission or its designated representative shall at all reasonable times have access to, for the purposes of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to unlawful employment practices covered by this title and is relevant to the charge under investigation.

EDITORS' NOTE: The broad inspection and investigation provision in the bill passed by the House was narrowed by the Dirksen-Mansfield substitute in the Senate to limit the authority to the examination and copying of evidence that relates to unlawful employment practices covered by Title VII and that is relevant to the charge under investigation. (See pages 3019 and 3006 for explanations of this change by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

(b) The Commission may cooperate with State and local agencies charged with the administration of State fair employment practices

laws and, with the consent of such agencies, may for the purpose of carrying out its functions and duties under this title and within the limitation of funds appropriated specifically for such purpose, utilize the services of such agencies and their employees and, notwithstanding any other provision of law, may reimburse such agencies and their employees for services rendered to assist the Commission in carrying out this title. In furtherance of such cooperative efforts, the Commission may enter into written agreements with such State or local agencies and such agreements may include provisions under which the Commission shall refrain from processing a charge in any cases or class of cases specified in such agreements and under which no person may bring a civil action under section 706 in any cases or class of cases so specified, or under which the Commission shall relieve any person or class of persons in such State or locality from requirements imposed under this section. The Commission shall rescind any such agreement whenever it determines that the agreement no longer serves the interest of effective enforcement of this title.

EDITORS' NOTE: Subsection (b) was revised by the Dirksen-Mansfield substitute in the Senate. Among other things, the revision provided that the Commission may cooperate with state and local agencies as well as use their services on a reimbursable basis. A provision was added to permit the Commission to enter into agreements with such state or local agencies to refrain from processing a charge in any case or class of cases specified in such an agreement. (See pages 3019 and 3007 for explanations of these changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

(c) Except as provided in subsection (d), every employer, employment agency, and labor organization subject to this title shall (1) make and keep such records relevant to the determinations of whether unlawful employment practices have been or are being committed, (2) preserve such records for such periods, and (3) make such reports therefrom, as the Commission shall prescribe by regulation or order, after public hearing, as reasonable, necessary, or appropriate for the enforcement of this title or the regulations or orders thereunder. The Commission shall, by regulation, require each employer, labor organization, and joint labor-management committee subject to this title which controls an apprenticeship or other training program to maintain such records as are reasonably necessary to carry out the purpose of this title, including, but not limited to, a list of applicants who wish to participate in such program, including the chronological order in which such applications were received, and shall furnish to the Commission, upon request, a detailed description of the manner in which persons are selected to participate in the apprenticeship or other training program. Any employer, employment agency, labor organization, or joint labor-management committee which believes that the application to it of any regulation or order issued under this section would result in undue hardship may (1) apply to the Commission for an exemption from the application of such regulation or order, or (2) bring a civil action in the United States district court for the district where such records are kept.

ization in question would impose an undue hardship, the Commission or the court, as the case may be, may grant appropriate relief.

EDITORS' NOTE: Subsection (c) was in the bill reported by the House Judiciary Committee and adopted by the House. (See page 2030 for a discussion of this subsection in the House Judiciary Committee's Report.) The Senate made no change in Subsection (c), except as it was superseded by a new Subsection (d). (See page 3019 and 3004 for explanations of this change by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

(d) The provisions of subsection (c) shall not apply to any employer, employment agency, labor organization, or joint labor-management committee with respect to matters occurring in any State or political subdivision thereof which has a fair employment practice law during any period in which such employer, employment agency, labor organization, or joint labor-management committee is subject to such law, except that the Commission may require such notations on records which such employer, employment agency, labor organization, or joint labor-management committee keeps or is required to keep as are necessary because of differences in coverage or methods of enforcement between the State or local law and the provisions of this title. Where an employer is required by Executive Order 10925, issued March 6, 1961, or by any other Executive order prescribing fair employment practices for Government contractors and subcontractors, or by rules or regulations issued thereunder, to file reports relating to his employment practices with any Federal agency or committee, and he is substantially in compliance with such requirements, the Commission shall not require him to file additional reports pursuant to subsection (c) of this section.

EDITORS' NOTE: Subsection (d) was added by the Dirksen Mansfield substitute in the Senate to minimize duplication of record keeping. (See pages 3019 for an explanation of this change by Senator Dirksen (R., Ill.).)

(e) It shall be unlawful for any officer or employee of the Commission to make public in any manner whatever any information obtained by the Commission pursuant to its authority under this section prior to the institution of any proceeding under this title involving such information. Any officer or employee of the Commission who shall make public in any manner whatever any information in violation of this subsection shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than \$1,000, or imprisoned not more than one year.

EDITORS' NOTE: Subsection (e) was inserted by the Dirksen-Mansfield substitute in the Senate. (See page 3019 for an explanation of the change by Senator Dirksen (R., Ill.).)

INVESTIGATORY POWERS

SEC. 710. (a) For the purposes of any investigation of a charge filed under the authority contained in section 706, the Commission

shall have authority to examine witnesses under oath and to require the production of documentary evidence relevant or material to the charge under investigation.

(b) If the respondent named in a charge filed under section 706 fails or refuses to comply with a demand of the Commission for permission to examine or to copy evidence in conformity with the provisions of section 709(a), or if any person required to comply with the provisions of section 709 (c) or (d) fails or refuses to do so, or if any person fails or refuses to comply with a demand by the Commission to give testimony under oath, the United States district court for the district in which such person is found, resides, or transacts business, shall, upon application of the Commission, have jurisdiction to issue to such person an order requiring him to comply with the provisions of section 709 (c) or (d) or to comply with the demand of the Commission, but the attendance of a witness may not be required outside the State where he is found, resides, or transacts business and the production of evidence may not be required outside the State where such evidence is kept.

(c) Within twenty days after the service upon any person charged under section 706 of a demand by the Commission for the production of documentary evidence or for permission to examine or to copy evidence in conformity with the provisions of section 709(a), such person may file in the district court of the United States for the judicial district in which he resides, is found, or transacts business, and serve upon the Commission a petition for an order of such court modifying or setting aside such demand. The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this title or with the limitations generally applicable to compulsory process or upon any constitutional or other legal right or privilege of such person. No objection which is not raised by such a petition may be urged in the defense to a proceeding initiated by the Commission under subsection (b) for enforcement of such a demand unless such proceeding is commenced by the Commission prior to the expiration of the twenty-day period, or unless the court determines that the defendant could not reasonably have been aware of the availability of such ground of objection.

(d) In any proceeding brought by the Commission under subsection (b), except as provided in subsection (c) of this section, the defendant may petition the court for an order modifying or setting aside the demand of the Commission.

EDITORS' NOTE: Section 710 was revised substantially by the Dirksen-Mansfield substitute in the Senate. The revision narrowed the investigative powers given to the Commission by the bill passed by the House. (See pages 3019 and 3007 for explanations of the changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

SEC. 711. (a) Every employer, employment agency, and labor organization, as the case may be, shall post and keep posted in conspicuous places upon its premises where notices to employees, applicants for

employment, and members are customarily posted a notice to be prepared or approved by the Commission setting forth excerpts from or summaries of, the pertinent provisions of this title and information pertinent to the filing of a complaint.

(b) A willful violation of this section shall be punishable by a fine of not more than \$100 for each separate offense.

EDITORS' NOTE: The notice-posting provisions were modified by the Dirksen-Mansfield substitute in the Senate to specify the contents of the notices to be posted and to reduce the maximum penalty for violation from \$500 to \$100. (See pages 3020 and 3007 for explanations of these changes by Senator Dirksen (R., Ill.) and Senator Humphrey (D., Minn.).)

VETERANS' PREFERENCE

SEC. 712. Nothing contained in this title shall be construed to repeal, modify any Federal, State, territorial, or local law creating special rights or preference for veterans.

***EDITORS' NOTE:** Section 712 was in the bill reported by the House Judiciary Committee and adopted by the House as Section 713. It was renumbered by the Dirksen-Mansfield substitute in the Senate, but was not changed.

RULES AND REGULATIONS

SEC. 713. (a) The Commission shall have authority from time to time to issue, amend, or rescind suitable procedural regulations to carry out the provisions of this title. Regulations issued under this section shall be in conformity with the standards and limitations of the Administrative Procedure Act.

(b) In any action or proceeding based on any alleged unlawful employment practice, no person shall be subject to any liability or punishment for or on account of (1) the commission by such person of an unlawful employment practice if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on any written interpretation or opinion of the Commission, or (2) the failure of such person to publish and file any information required by any provision of this title if he pleads and proves that he failed to publish and file such information in good faith, in conformity with the instructions of the Commission issued under this title regarding the filing of such information. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that (A) after such act or omission, such interpretation or opinion is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect, or (B) after publishing or filing the description and annual reports, such publication or filing is determined by judicial authority not to be in conformity with the requirements of this title.

EDITORS' NOTE: Section 713, authorizing the Commission to issue regulations and providing a good-faith defense for reliance on interpretations or opinions of the Commission, was in the House bill

as Section 714. The Dirksen-Mansfield compromise renumbered the section and limited the authority to issue regulations to "procedural" regulations. (See page 2031 for a discussion of the Section in the report of the House Judiciary Committee.)

FORCIBLY RESISTING THE COMMISSION OR ITS REPRESENTATIVES

SEC. 714. The provisions of section 111, title 18, United States Code, shall apply to officers, agents, and employees of the Commission in the performance of their official duties.

EDITORS' NOTE: This Section was in the bill reported by the House Judiciary Committee and adopted by the House. The Senate renumbered the Section, but made no changes in its language. The provisions of the United States Code made applicable to the personnel of the Commission make it a crime forcibly to assault, resist, oppose, impede, intimidate, or interfere with certain government employees while engaged in the performance of their official duties. (See page 2031 for a discussion of the Section in the report of the House Judiciary Committee.) Two other sections in the House bill were deleted at this point by the Senate. They dealt with the authorization of appropriations and the separability clause and were repeated in Title XI.

SPECIAL STUDY BY SECRETARY OF LABOR

SEC. 715. The Secretary of Labor shall make a full and complete study of the factors which might tend to result in discrimination in employment because of age and of the consequences of such discrimination on the economy and individuals affected. The Secretary of Labor shall make a report to the Congress not later than June 30, 1965, containing the results of such study and shall include in such report such recommendations for legislation to prevent arbitrary discrimination in employment because of age as he determines advisable.

EDITORS' NOTE: This Section was renumbered by the Dirksen-Mansfield substitute in the Senate, and the final date for the report was changed from June 30, 1964, to June 30, 1965. Otherwise, it is the same as Section 717 in the bill reported by the House Judiciary Committee and adopted by the House.

SEC. 716. (a) This title shall become effective one year after the date of its enactment.

(b) Notwithstanding subsection (a), sections of this title other than sections 703, 704, 706, and 707 shall become effective immediately.

(c) The President shall, as soon as feasible after the enactment of this title, convene one or more conferences for the purpose of enabling the leaders of groups whose members will be affected by this title to become familiar with the rights afforded and obligations imposed by its provisions, and for the purpose of making plans which will result in the fair and effective administration of this title when all of its provisions become effective.

tion in such conference or conferences of (1) the members of the President's Committee on Equal Employment Opportunity, (2) the members of the Commission on Civil Rights, (3) representatives of State and local agencies engaged in furthering equal employment opportunity, (4) representatives of private agencies engaged in furthering equal employment opportunity, and (5) representatives of employers, labor organizations, and employment agencies who will be subject to this title.

EDITORS' NOTE: This Section was renumbered by the Senate substitute, but it otherwise was taken intact from the bill reported by the House Labor Committee and adopted by the House.

TITLE XI—MISCELLANEOUS

SEC. 1101. In any proceeding for criminal contempt arising under title II, III, IV, V, VI, or VII of this Act, the accused, upon demand therefor, shall be entitled to a trial by jury, which shall conform as near as may be to the practice in criminal cases. Upon conviction, the accused shall not be fined more than \$1,000 or imprisoned for more than six months.

This section shall not apply to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to the misbehavior, misconduct, or disobedience of any officer of the court in respect to writs, orders, or process of the court. No person shall be convicted of criminal contempt hereunder unless the act or omission constituting such contempt shall have been intentional, as required in other cases of criminal contempt.

Nor shall anything herein be construed to deprive courts of their power, by civil contempt proceedings, without a jury, to secure compliance with or to prevent obstruction of, as distinguished from punishment for violations of, any lawful writ, process, order, rule, decree, or command of the court in accordance with the prevailing usage of law and equity, including the power of detention.

SEC. 1102. No person should be put twice in jeopardy under the laws of the United States for the same act or omission. For this reason, an acquittal or conviction in a prosecution for a specific crime under the laws of the United States shall bar a proceeding for criminal contempt, which is based upon the same act or omission and which arises under the provisions of this Act; and an acquittal or conviction in a proceeding for criminal contempt, which arises under the provisions of this Act, shall bar a prosecution for a specific crime under the laws of the United States based upon the same act or omission.

EDITORS' NOTE: Sections 1101 and 1102 were adopted on the floor on the basis of amendments proposed by Senator Morton (R., Ky.) and Senator Ervin (D., N.C.). Both amendments were amendments to one originally introduced by Senator Talmadge (D., Ga.). For the debate that preceded the adoption of the amendments see pages 3375 to 3475.

SEC. 1103. Nothing in this Act shall be construed to deny, impair, or otherwise affect any right or authority of the Attorney General or of the United States or any agency or officer thereof under existing law to institute or intervene in any action or proceeding.

SEC. 1104. Nothing contained in any title of this Act shall be construed as indicating an intent on the part of Congress to occupy the field in which any such title operates to the exclusion of State laws on the same subject matter, nor shall any provision of this Act be construed as invalidating any provision of State law unless such provision is inconsistent with any of the purposes of this Act, or any provision thereof.

SEC. 1105. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

SEC. 1106. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

EDITORS' NOTE: Sections 1103, 1104, and 1105 are from the bill reported by the House Judiciary Committee and adopted by the House, although they were renumbered in the Dirksen-Mansfield substitute in the Senate. Section 1106 was modified in the Senate substitute to add the words "not similarly situated" and "to other" for "precision and to reduce the possibility of a multiplicity of law suits under these provisions." (See page 3021 for an explanation of these changes by Senator Dirksen (R., Ill.).)

Equal Employment Opportunity Executive Order 11246 As Amended By Executive Order 11375

U.S. Department of Labor
Employment Standards Administration
Office of Federal Contract Compliance Programs

OFCCP-4
November 1975

Under and by virtue of the authority vested in me as President of the United States, it is ordered as follows:

PART I—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT¹

PART II—NONDISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

Subpart A—Duties of the Secretary of Labor

SEC. 201. The Secretary of Labor shall be responsible for the administration of parts II and III of this order and shall adopt such rules and regulations and issue such orders as he deems necessary and appropriate to achieve the purposes thereof.

Subpart B—Contractors' Agreements

SEC. 202. Except in contracts exempted in accordance with section 204 of this order, all Government contracting agencies shall include in every Government contract hereafter entered into the following provisions:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.²

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.³

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

¹ Secs. 101 through 105 of pt. I of Executive Order 11246 dealing with discrimination in Federal employment were superseded by Executive Order 11478. Executive Order 11478, which is concerned exclusively with Government employment, expanded considerably the obligation of the Government itself to undertake equal employment opportunity within its own organization. Executive Order 11478 was signed by President Richard Nixon on Aug. 8, 1969.

² Sec. 202, paragraphs (1) and (2) and sec. 203, subsec. (d) were amended by Executive Order 11375 to encompass sex discrimination. Executive Order 11375 was signed by President Lyndon B. Johnson on Sept. 24, 1965.

³ Ibid.

(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies involved as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however, That in the event the contractor becomes involved in, or threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.*

SEC. 203. (a) Each contractor having a contract containing the provisions prescribed in section 202 shall file, and shall cause each of his subcontractors to file, compliance reports with the contracting agency or the Secretary of Labor as may be directed. Compliance reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Secretary of Labor may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, or any preceding similar executive order, and in that event to submit, on behalf of themselves and their proposed subcontractors, compliance reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, the compliance report shall include such information as to such labor union's or agency's practices and policies affecting compliance as the Secretary of Labor may prescribe: *Provided, That to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training and such labor union or agency shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its compliance report and shall set forth what efforts he has made to obtain such information.*

(d) The contracting agency or the Secretary of Labor may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his compliance report, a statement in writing, signed by an authorized officer or agent on behalf of any labor union or agency referring workers or providing or supervising apprenticeship or other training, with which the bidder or prospective contractor deals, with supporting information, to the effect that the signer's

practices and policies do not discriminate on the grounds of race, color, religion, sex, or national origin, and that the signer either will affirmatively cooperate in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union, or the agency, shall refuse to execute such a statement, the compliance report shall so certify and set forth what efforts have been made to secure such a statement and such additional factual material as the contracting agency or the Secretary of Labor may require.*

SEC. 204. The Secretary of Labor may, when he deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including any or all of the provisions of section 202 of this order in any specific contract, subcontract, or purchase order. The Secretary of Labor may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders: (1) whenever work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (2) for standard commercial supplies or raw materials; (3) involving less than specified amounts of money or specified numbers of workers; or (4) to the extent that they involve subcontracts below a specified tier. The Secretary of Labor may also provide, by rule, regulation, or order, for the exemption of facilities of a contractor which are in all respects separate and distinct from activities of the contractor related to the performance of the contract: *Provided*, That such an exemption will not interfere with or impede the effectuation of the purposes of this order: *And provided further*, That in the absence of such an exemption all facilities shall be covered by the provisions of this order.

Subpart C—Powers and Duties of the Secretary of Labor and the Contracting Agencies

SEC. 205. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Secretary of Labor with respect to contracts entered into by such agency or its contractors. All contracting agencies shall comply with the rules of the Secretary of Labor in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this order and of the rules, regulations, and orders of the Secretary of Labor issued pursuant to this order. They are directed to cooperate with the Secretary of Labor and to furnish the Secretary of Labor such information and assistance as he may require in the performance of his functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 206. (a) The Secretary of Labor may investigate the employment practices of any Government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency, to determine whether or not the contractual provisions specified in section 202 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Secretary of Labor and the investigating agency shall report to the Secretary of Labor any action taken or recommended.

* *Ibid.*

(b) The Secretary of Labor may receive and investigate or cause to be investigated complaints by employees or prospective employees of a Government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 202 of this order. If this investigation is conducted for the Secretary of Labor by a contracting agency, that agency shall report to the Secretary what action has been taken or is recommended with regard to such complaints.

SEC. 207. The Secretary of Labor shall use his best efforts, directly and through contracting agencies, other interested Federal, State, and local agencies, contractors, and all other available instrumentalities to cause any labor union engaged in work under Government contracts or any agency referring workers or providing or supervising apprenticeship or training for or in the course of such work to cooperate in the implementation of the purposes of this order. The Secretary of Labor shall, in appropriate cases, notify the Equal Employment Opportunity Commission, the Department of Justice, or other appropriate Federal agencies whenever it has reason to believe that the practices of any such labor organization or agency violate Titles VI or VII of the Civil Rights Act of 1964 or other provision of Federal law.

SEC. 208. (a) The Secretary of Labor, or any agency, officer, or employee in the executive branch of the Government designated by rule, regulation, or order of the Secretary, may hold such hearings, public or private, as the Secretary may deem advisable for compliance, enforcement, or educational purposes.

(b) The Secretary of Labor may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order. No order for debarment of any contractor from further Government contracts under section 209(a)(6) shall be made without affording the contractor an opportunity for a hearing.

Subpart D—Sanctions and Penalties

SEC. 209. (a) In accordance with such rules, regulations, or orders as the Secretary of Labor may issue or adopt, the Secretary or the appropriate contracting agency may:

(1) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Secretary of Labor.

(2) Recommend to the Department of Justice that, in cases in which there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 202 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals, or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the provisions of this order.

(3) Recommend to the Equal Employment Opportunity Commission or the Department of Justice that appropriate proceedings be instituted under Title VII of the Civil Rights Act of 1964.

(4) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to

the Secretary of Labor as the case may be.

(5) Cancel, terminate, suspend, or cause to be cancelled, terminated, or suspended any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be cancelled, terminated, or suspended absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(6) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any noncomplying contractor, until such contractor has satisfied the Secretary of Labor that such contractor has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(b) Under rules and regulations prescribed by the Secretary of Labor, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under subsection (a)(2) of this section, or before a contract shall be cancelled or terminated in whole or part under subsection (a)(5) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 210. Any contracting agency taking any action authorized by this subpart, whether on its own motion, or as directed by the Secretary of Labor, or under the rules and regulations of the Secretary, shall promptly notify the Secretary of such action. Whenever the Secretary of Labor makes a determination under this section, he shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Secretary of Labor within such time as the Secretary shall specify.

SEC. 211. If the Secretary shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Secretary of Labor or, if the Secretary so authorizes, to the contracting agency.

SEC. 212. Whenever a contracting agency cancels or terminates a contract, or whenever a contractor has been debarred from further Government contracts, under section 209(a)(6) because of noncompliance with the contract provisions with regard to nondiscrimination, the Secretary of Labor, or the contracting agency involved, shall promptly notify the Comptroller General of the United States. Any such debarment may be rescinded by the Secretary of Labor or by the contracting agency which imposed the sanction.

Subpart E--Certificates of Merit

SEC. 213. The Secretary of Labor may provide for issuance of a U.S. Government certificate of merit to employers or labor unions, or other agencies which are or may hereafter be engaged in work under Government contracts, if the Secretary is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading, and other practices and policies of the labor union or other agency conform to the purposes and provisions of this order.

SEC. 214. Any certificate of merit may at any time be suspended or revoked by the Secretary of Labor if the holder thereof, in the judgment of the Secretary, has failed to comply with the provisions of this order.

SEC. 215. The Secretary of Labor may provide for the exemption of any employer, labor union, or other agency from any reporting requirements imposed under or pursuant to this order if such employer, labor union, or other agency has been awarded a certificate of merit which has not been suspended or revoked.

PART III—NONDISCRIMINATION PROVISIONS IN FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

SEC. 301. Each executive department and agency which administers a program involving Federal financial assistance shall require as a condition for the approval of any grant, contract, loan, insurance, or guarantee thereunder, which may involve a construction contract, that the applicant for Federal assistance undertake and agree to incorporate, or cause to be incorporated, into all construction contracts paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to such grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the provisions prescribed for Government contracts by section 202 of this order or such modification thereof, preserving in substance the contractor's obligations thereunder, as may be approved by the Secretary of Labor, together with such additional provisions as the Secretary deems appropriate to establish and protect the interest of the United States in the enforcement of those obligations. Each such applicant shall also undertake and agree: (1) to assist and cooperate actively with the administering department or agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with those contract provisions and with the rules, regulations, and relevant orders of the Secretary; (2) to obtain and to furnish to the administering department or agency and to the Secretary of Labor such information as they may require for the supervision of such compliance; (3) to carry out sanctions and penalties for violation of such obligations imposed upon contractors and subcontractors by the Secretary of Labor or the administering department or agency pursuant to part II, subpart D, of this order; and (4) to refrain from entering into any contract subject to this order, or extension or other modification of such a contract with a contractor debarred from Government contracts under part II, subpart D, of this order.

SEC. 302. (a) "Construction contract" as used in this order means any contract for the construction, rehabilitation, alteration, conversion, extension, or repair of buildings, highways, or other improvements to real property.

(b) The provisions of part II of this order shall apply to such construction contracts, and for purposes of such application, the administering department or agency shall be considered the contracting agency referred to therein.

(c) The term "applicant" as used in this order means an applicant for Federal assistance or, as determined by agency regulation, other program participant, with respect to whom an application for any grant, contract, loan, insurance, or guarantee is not finally acted upon prior to the effective date of this part, and it includes such an applicant after he becomes a recipient of such Federal assistance.

SEC. 303 (a) Each administering department and agency shall be responsible for obtaining the compliance of such applicants with their undertakings under this order. Each administering department and agency is directed to cooperate with the Secretary of Labor, and to furnish the Secretary such information and assistance as he may require in the performance of his functions under this order.

(b) In the event an applicant fails and refuses to comply with his undertakings, the administering department or agency may take any or all of the following actions: (1) cancel, terminate, or suspend in whole or in part the agreement, contract, or other arrangement with such applicant with respect to which the failure and refusal occurred; (2) refrain from extending any further assistance to the applicant under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and (3) refer the case to the Department of Justice for appropriate legal proceedings.

(c) Any action with respect to an applicant pursuant to subsection (b) shall be taken in conformity with section 602 of the Civil Rights Act of 1964 (and the regulations of the administering department or agency issued thereunder), to the extent applicable. In no case shall action be taken with respect to an applicant pursuant to clause (1) or (2) of subsection (b) without notice and opportunity for hearing before the administering department or agency.

SEC. 304. Any executive department or agency which imposes by rule, regulation, or order requirements of nondiscrimination in employment, other than requirements imposed pursuant to this order, may delegate to the Secretary of Labor by agreement such responsibilities with respect to compliance standards, reports, and procedures as would tend to bring the administration of such requirements into conformity with the administration of requirements imposed under this order: *Provided*, That actions to effect compliance by recipients of Federal financial assistance with requirements imposed pursuant to Title VI of the Civil Rights Act of 1964 shall be taken in conformity with the procedures and limitations prescribed in section 602 thereof and the regulations of the administering department or agency issued thereunder.

PART IV — MISCELLANEOUS

SEC. 401. The Secretary of Labor may delegate to any officer, agency, or employee in the executive branch of the Government, any function or duty of the Secretary under parts II and III of this order, except authority to promulgate rules and regulations of a general nature.

SEC. 402. The Secretary of Labor shall provide administrative support for the execution of the program known as the "Plans of Progress."

SEC. 403. (a) Executive Orders Nos. 10590 (Jan. 18, 1955), 10722 (Aug. 5, 1957), 10925 (Mar. 6, 1961), 11114 (June 22, 1963), and 11162 (July 28, 1964), are hereby superseded and the President's Committee on Equal Employment Opportunity established by Executive Order No. 10925 is hereby abolished. All records and property in the custody of the committee shall be transferred to the Civil Service Commission and the Secretary of Labor, as appropriate.

(b) Nothing in this order shall be deemed to relieve any person of any obligation assumed or imposed under or pursuant to any executive order superseded by this order. All rules, regulations, orders, instructions, designa-

tions, and other directives issued by the President's Committee on Equal Employment Opportunity and those issued by the heads of various departments or agencies under or pursuant to any of the executive orders superseded by this order, shall, to the extent that they are not inconsistent with this order, remain in full force and effect unless and until revoked or superseded by appropriate authority. References in such directives to provisions of the superseded orders shall be deemed to be references to the comparable provisions of this order.

SEC. 404. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Secretary of Labor.

SEC. 405. This order shall become effective 30 days after the date of this order.

LYNDON B. JOHNSON

THE WHITE HOUSE
September 24, 1965

EXECUTIVE ORDER 11625

**Prescribing Additional Arrangements for Developing and Coordinating
a National Program for Minority Business Enterprise**

The opportunity for full participation in our free enterprise system by socially and economically disadvantaged persons is essential if we are to obtain social and economic justice for such persons and improve the functioning of our national economy.

The Office of Minority Business Enterprise, established in 1969, greatly facilitated the strengthening and expansion of our minority enterprise program. In order to take full advantage of resources and opportunities in the minority enterprise field, we now must build on this foundation. One important way of improving our efforts is by clarifying the authority of the Secretary of Commerce (a) to implement Federal policy in support of the minority business enterprise program; (b) provide additional technical and management assistance to disadvantaged businesses; (c) to assist in demonstration projects; and (d) to coordinate the participation of all Federal departments and agencies in an increased minority enterprise effort.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. Functions of the Secretary of Commerce. (a) The Secretary of Commerce (hereinafter referred to as "the Secretary") shall—

(1) Coordinate as consistent with law the plans, programs, and operations of the Federal Government which affect or may contribute to the establishment, preservation, and strengthening of minority business enterprise.

(2) Promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations, and volunteer and other groups towards the growth of minority business enterprises, and facilitate the coordination of the efforts of these groups with those of Federal departments and agencies.

(3) Establish a center for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the Nation in undertaking or promoting the establishment and successful operation of minority business enterprise.

(4) Within constraints of law and appropriations therefor, and according to his discretion, provide financial assistance to public and private organizations so that they may render technical and management assistance to minority business enterprises, and defray all or part of the costs of pilot or demonstration projects conducted by public or private agencies or organizations which are designed to overcome the special

THE PRESIDENT

problems of minority business enterprises or otherwise to further the purposes of this order.

(b) The Secretary, as he deems necessary or appropriate to enable him to better fulfill the responsibilities vested in him by subsection (a), may—

(1) With the participation of other Federal departments and agencies as appropriate, develop comprehensive plans and specific program goals for the minority enterprise program; establish regular performance monitoring and reporting systems to assure that goals are being achieved; and evaluate the impact of Federal support in achieving the objectives established by this order.

(2) Require a coordinated review of all proposed Federal training and technical assistance activities in direct support of the minority enterprise program to assure consistency with program goals and to avoid duplication.

(3) Convene, for purposes of coordination, meetings of the heads of such departments and agencies, or their designees, whose programs and activities may affect or contribute to the purposes of this order.

(4) Convene business leaders, educators, and other representatives of the private sector who are engaged in assisting the development of minority business enterprise or who could contribute to its development, for the purpose of proposing, evaluating and coordinating governmental and private activities in furtherance of the objectives of this order.

(5) Confer with and advise officials of State and local governments.

(6) Provide the managerial and organizational framework through which joint or collaborative undertakings with Federal departments or agencies or private organizations can be planned and implemented.

(7) Recommend appropriate legislative or executive actions.

SEC. 2. Advisory Council for Minority Enterprise. (a) The Advisory Council for Minority Enterprise (hereinafter referred to as "the Council"), established by Executive Order No. 11458 of March 5, 1969, shall continue in existence under the terms of this order.

(b) The Council shall be composed of members appointed by the President from among persons, including members of minority groups and representatives from minority business enterprises, who are knowledgeable in this field and who are dedicated to the purposes of this order. The members shall serve for a term of two years and may be reappointed.

(c) The President shall designate one of the members of the Council as the Chairman of the Council.

(d) The Council shall meet at the call of the Secretary.

(e) The Council shall be advisory to the Secretary in which capacity it shall—

(1) Serve as a source of knowledge and information on developments in different fields and segments of our economic and social life which affect minority business enterprise.

(2) Keep abreast of plans, programs, and activities in the public and private sectors which relate to minority business enterprise, and advise

the Secretary on any measures to better achieve the objectives of this order.

(3) Consider, and advise the Secretary, and such officials as he may designate, on problems and matters referred to the Council.

(f) For the purposes of Executive Order No. 11007 of February 26, 1962, the Council shall be deemed to have been formed by the Secretary.

(g) Members of the Council shall be entitled to receive travel and expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5701-5708) for persons in the Government service employed intermittently.

(h) The Secretary shall arrange for administrative support of the Council to the extent necessary, including use of any gifts or bequests accepted by the Department of Commerce pursuant to law.

SEC. 3. Responsibilities of Other Federal Departments and Agencies.

(a) The head of each Federal department and agency, or a representative designated by him, when and in the manner so requested by the Secretary, shall furnish information, assistance, and reports to, and shall otherwise cooperate with, the Secretary in the performance of his functions hereunder.

(b) The head of each Federal department or agency shall, when so requested by the Secretary, designate his Under Secretary or such other similar official to have primary and continuing responsibility for the participation and cooperation of that department or agency in matters concerning minority business enterprise.

(c) The officials designated under the preceding paragraph, when so requested, shall review and report to the Secretary upon the policies and programs of the minority business enterprise program, and shall keep the Secretary informed of all proposed budgets, plans and programs of his department or agency affecting minority business enterprise.

(d) The head of each Federal department or agency, or a representative designated by him, shall, to the extent provided under regulations issued by the Secretary after consultation with the official designated in paragraph (b) above, report to the Secretary on any activity that falls within the scope of the minority business enterprise program as defined herein and in those regulations.

(e) Each Federal department or agency shall, within constraints of law and appropriations therefor, continue all current efforts to foster and promote minority business enterprises and to support the program herein set forth, and shall cooperate with the Secretary of Commerce in increasing the total Federal effort.

SEC. 4. Reports. The Secretary shall, not later than 120 days after the close of each fiscal year, submit to the President a full report of his activities hereunder during the previous fiscal year. Further, the Secretary shall, from time to time, submit to the President his recommendations for legislation or other action as he deems desirable to promote the purposes of this order. Each Federal department or agency shall report to the Secretary as hereinabove provided on a timely basis so that the Secretary may consider such reports for his report and recommendations to the

THE PRESIDENT

President. Each Federal department or agency shall develop and implement systematic data collection processes which will provide to the Office of Minority Business Enterprise Information Center current data helpful in evaluating and promoting the efforts herein described.

SEC. 5. Policies and Standards. The Secretary may establish such policies, standards, definitions, criteria, and procedures to govern the implementation, interpretation, and application of this order, and generally perform such functions and take such steps as he may deem to be necessary or appropriate to achieve the purposes and carry out the provisions hereof.

SEC. 6. Definitions. For purposes of this order, the following definitions shall apply:

(a) "Minority business enterprise" means a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos, and Aleuts.

(b) "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands.

SEC. 7. Construction. Nothing in this order shall be construed as subjecting any function vested in, or assigned pursuant to law to, any Federal department or agency or head thereof to the authority of any other agency or office exclusively, or as abrogating or restricting any such function in any manner.

SEC. 8. Prior Executive Order. Executive Order No. 11458 of March 5, 1969, is hereby superseded.



THE WHITE HOUSE,
October 13, 1971.

[FR Doc. 71-15127 Filed 10-13-71; 12:28 pm]

Rules and Regulations

Title 24—Housing and Urban Development

CHAPTER I—OFFICE OF ASSISTANT SECRETARY FOR EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBCHAPTER B—EMPLOYMENT AND BUSINESS OPPORTUNITY

[Docket No. R 73-100]

PART 135—EMPLOYMENT OPPORTUNITIES FOR BUSINESSES AND LOWER IN- COME PERSONS IN CONNECTION WITH ASSISTED PROJECTS

The purpose of these regulations is to set forth the procedures established by the Secretary of Housing and Urban Development for carrying out his responsibilities, under sec. 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, to provide employment opportunities for businesses and lower-income persons in connection with assisted projects. The regulations here made final have been published twice in the form of a proposal.

Notice of a proposed amendment to Title 24 of the Code of Federal Regulations to include a new Part 76 entitled, "Employment Opportunities for Lower Income Persons in Connection with Assisted Projects," was published in the FEDERAL REGISTER on June 18, 1971 (36 FR 11744). Comments from interested persons were received and considered and after appropriate changes were made in the proposed regulations, the revised regulations were republished for additional comments as a proposed Part 135 of Title 24 entitled, "Employment Opportunities for Businesses and Lower Income Persons in Connection with Assisted Projects," on August 3, 1973 (38 FR 20906).

This final regulation is essentially the same as the August 3, 1973, proposal with several minor changes identified by careful comparison of that proposal and the regulations published below.

Although a number of comments have been received from interested parties, analysis and comparison between these comments and those received on the June 1971 proposed regulation indicate that policy considerations regarding most of the issues raised had been given similar comments in 1971. Those comments which were accepted were included within the changes adopted for the notice of proposed rulemaking dated August 3, 1973. Comments which raised new issues were carefully considered.

Some comments suggested that specific reference be made by the regulations to minority businesses, and that such businesses be accorded treatment reserved for area residents under the regulations although they were located outside the sec. 3 covered area. Those comments misconstrue the statutory language, which is directed only toward residents of a project area and not to minorities. Hence, the suggested changes are beyond the Department's authority under the statute.

Another comment suggested a two-step bidding procedure under which bidders could be called upon to submit information as to their ability to comply with sec. 3 requirements, and bids on the contract would be accepted only from those judged able to perform on the basis of these submissions. Such a procedure is rejected by the Department as imposing added delays on bidding and burdens on the contractors without materially increasing compliance with the regulations.

Other comments related to administrative clarifications and practices which are appropriate for inclusion in implementing handbook material rather than the published regulation. For example, one comment suggested specific requirements that periodic progress statements be submitted by contractors, and that reasons for rejection of a resident employment applicant be submitted to the responsible official and the applicant; others suggested inclusion of a minimum notice period before a hearing and a more specific description of the Department's registry of eligible business concerns and its procedures. Several comments suggested more specific standards for compliance than those supplied by sections dealing with good faith efforts and use of residents "to the greatest extent feasible." The Department has determined that such matters should be resolved by directives implementing the published regulation.

Accordingly, Title 24 of the Code of Federal Regulations is amended by adding a new Part 135 to read as follows:

Subpart A—General

- Sec.
135.1 Purpose and scope of part
135.5 Definitions
135.10 Delegation to Assistant Secretary for Equal Opportunity
135.15 Determination of the area of a section 3 covered project.
135.20 Assurance of compliance with regulations

- Sec.
135.25 Bidding and negotiation requirements.
135.30 Other applicant and recipient obligations.
135.35 Effectuation of applicant obligations in direct and indirect relationships.

Subpart B—Utilization of Lower Income Area Residents as Trainees

- 135.40 General.
135.45 Establishing number of trainees.
135.50 Good faith effort.

Subpart C—Utilization of Lower Income Area Residents as Employees

- 135.55 General.
135.60 Good faith effort.

Subpart D—Utilization of Business Located in or Owned in Substantial Part by Persons Residing in the Area

- 135.65 General.
135.70 Development of an affirmative action plan.

Subpart E—Participation in Approved Programs

- 135.75 Participation as evidence of compliance with section 3 requirements.

Subpart F—Grievance and Compliance Review

- 135.80 Who may file grievances.
135.85 Content of grievance filings.
135.90 Form of grievance filings.
135.95 Place of filing.
135.100 Time of filing.
135.105 Processing of grievance filings.
135.110 Hearings.
135.115 Compliance reviews and procedures.

Subpart G—Miscellaneous

- 135.120 Reporting and recordkeeping.
135.125 Implementing procedures and instructions.
135.130 Labor standards.
135.135 Sanctions.
135.140 Effective date

AUTHORITY.—Sec. 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and sec. 7(d), Department of HUD Act, 42 U.S.C. 3535(d).

Subpart A—General

§ 135.1 Purpose and scope of part.

(a) (1) The regulations set forth in this part contain the procedures established by the Secretary of Housing and Urban Development for carrying out his responsibilities under section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u. That section requires that:

(2) In the administration by the Secretary of Housing and Urban Development of programs providing direct financial assistance in aid of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development, the Secretary shall—

(i) Require, in consultation with the Secretary of Labor, that to the greatest extent feasible opportunities for training and employment arising in connection with the planning and carrying out of any project assisted under any such program be given to lower income persons residing in the area of such project; and

(ii) Require, in consultation with the Administrator of the Small Business Administration, that to the greatest extent feasible contracts for work to be performed in connection with any such project be awarded to business concerns,

including but not limited to individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the area of such project.

(b) In the development of these regulations the Secretary has consulted with the Secretary of Labor and the Administrator of the Small Business Administration and mutual agreement has been reached with respect to the coordination of employment and training efforts and contracts awards under these regulations by the Department of Housing and Urban Development, the Department of Labor, and the Small Business Administration.

(c) The regulations as set forth in this part, particularly Subparts C and D of this part, shall serve to define "to the greatest extent feasible" as that term is applied in section 3 of the Housing and Urban Development Act of 1968.

(d) The Secretary will issue such further regulations in connection with his responsibilities under section 3 of the Housing and Urban Development Act of 1968, as he finds appropriate and may, as needed, amplify any regulations issued pursuant to section 3, through guidelines, handbooks, circulars, or other means.

§ 135.5 Definitions.

As used in this part—

(a) "Applicant" means any entity seeking assistance for a project including, but not limited to mortgagees, developers, local public bodies, nonprofit or limited dividend sponsors, builders, or property managers.

(b) "Business concerns located within the section 3 covered project area" means those individuals or firms located within the relevant section 3 covered project area as determined pursuant to § 135.15, listed on the Department's registry of eligible business concerns, and which qualify as small under the small business size standards of the Small Business Administration.

(c) "Business concerns owned in substantial part by persons residing in the section 3 covered project area" means those business concerns which are 51 percent or more owned by persons residing within the relevant section 3 covered project as determined pursuant to § 135.15, owned by persons considered by the Small Business Administration to be socially or economically disadvantaged, listed on the Department's registry of eligible business concerns, and which qualify as small under the small business size standards of the Small Business Administration.

(d) "Contracting party" means any entity which contracts with a contractor for the performance of work in connection with a section 3 covered project.

(e) "Contractor" means any entity which performs work in connection with a section 3 covered project.

(f) "Department" means the Department of Housing and Urban Development.

(g) "Lower income resident of the area" means any individual who resides within the area of a section 3 covered project and whose family income does not exceed 90 percent of the median income in the Standard Metropolitan Statistical Area (or the county if not within an SMSA) in which the section 3 covered project is located.

(h) "Political jurisdiction" means a politically organized community with a governing body having general governmental powers.

(i) "Recipient" means any entity who received assistance for a project including, but not limited to, mortgagors, developers, local public bodies, nonprofit or limited dividend sponsors, builders or property managers.

(j) "Secretary" means the Secretary of Housing and Urban Development.

(k) "Section 3" means section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u.

(l) "Section 3 clause" means the contract provisions set forth in § 135.20(b).

(m) "Section 3 covered project" means any nonexempt project assisted by any program administered by the Secretary in which loans, grants, subsidies, or other financial assistance are provided in aid of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development (except where the financial assistance available under such program is solely in the form of insurance or guaranty). Projects, contracts, and subcontracts, connected with programs administered by the Secretary under section 233 and 236 of the National Housing Act, as well as any Public Housing program and which do not exceed \$500,000 in estimated cost are exempted from the requirements of this part, as is any subcontract of \$50,000 or under on such projects or contracts in excess of \$500,000.

(n) "Subcontractor" means any entity (other than a person who is an employee of the contractor) which has agreed or arranged with a contractor to undertake a portion of the contractor's obligation or the performance of work in connection with a section 3 covered project.

§ 135.10 Delegation to Assistant Secretary for Equal Opportunity.

Except as otherwise provided in this part, the functions of the Secretary referred to herein are delegated to the Assistant Secretary for Equal Opportunity.

§ 135.15 Determination of the area of a section 3 covered project.

(a) The area of a section 3 covered project shall be determined as follows:

(1) The boundaries of a section 3 covered project located:

(i) Within a geographic area designated as an urban renewal area pursuant to the provisions of title I of the Housing Act of 1949, 42 U.S.C. 1450; or

(ii) Within a geographic area designated as Model Cities areas or Metropolitan Development Plan areas pursuant to the provisions of title I of the Demonstration Cities and Metropolitan Development Act of 1966, 42 U.S.C. 3301; or

(iii) Within a geographic area designated as an Indian reservation (to include all territory within reservation boundaries including fee patented roads, waters, bridges and lands used for agency purposes);

shall be coextensive with the boundaries of that geographic area.

(2) The boundaries of a section 3 covered project not located within a geographic area designated pursuant to title I of the Housing Act of 1949, or title I of the Demonstration Cities and Metropolitan Development Act of 1966 shall be coextensive with the boundaries of the smallest political jurisdiction in which the project is located.

(3) To the extent that goals (established pursuant to Subparts B, C, and D of this part) cannot be met within a section 3 covered project area as determined pursuant to paragraph (a)(1) of this section, the boundaries of the smallest political jurisdiction in which the section 3 covered project is located shall be designated as the relevant section 3 covered project area. The determination to apply this subparagraph shall be made by the Assistant Secretary for Equal Opportunity or by the same official designated by the Assistant Secretary for Equal Opportunity to determine the section 3 covered project area pursuant to paragraph (a)(1) of this section.

(b) The Department's Regional Administrator, Area Office Director, or PHA Insuring Office Director, as appropriate, shall determine the boundaries of each section 3 covered project.

§ 135.20 Assurance of compliance with regulations.

(a) Every contract or agreement for a grant, loan, subsidy, or other direct financial assistance in aid of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development, entered into by the Department of Housing and Urban Development with respect to a section 3 covered project shall contain provisions requiring the applicant or recipient to carry out the provisions of section 3, the regulations set forth in this part, and any applicable rules and orders of the Department issued thereunder prior to approval of its application for assistance for a section 3 covered project.

(b) Every applicant, recipient, contracting party, contractor, and subcontractor shall incorporate, or cause to be incorporated, in all contracts for work in connection with a section 3 covered project, the following clause (referred to as a section 3 clause):

A. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the

project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

B. The parties to this contract will comply with the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR —, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitment under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

D. The contractor will include this section 3 clause in every subcontract for work in connection with the project and will at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR —. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR — and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

E. Compliance with the provisions of section 3, the regulations set forth in 24 CFR —, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR —, 135.

§ 135.25 Bidding and negotiation requirements.

(a) Every applicant and recipient shall require prospective contractors for work in connection with section 3 covered projects to provide, prior to the signing of the contract, a preliminary statement of work force needs (skilled, semiskilled, unskilled labor and trainees by category) where known; where not

known, such information shall be supplied prior to the signing of any contract between contractors and their subcontractors.

(b) When a bidding procedure is used to let the contract, the invitation or solicitation for bids shall advise prospective contractors of the requirements of these regulations. When the contract is let pursuant to negotiation or methods other than formal bidding procedures, prospective contractors shall be advised by the contracting party of the requirements of these regulations as part of the contract specifications.

§ 135.30 Other applicant and recipient obligations.

Every applicant and recipient shall assist and actively cooperate with the Secretary in obtaining the compliance of their contractors and subcontractors with the requirements of these regulations, including cooperation and assistance in distributing and collecting forms and information, and in notifying contracting parties and contractors of violations of these regulations, and shall refrain from entering into any contract with any contractor after notification by the Department that the contractor has been found in violation of these regulations pursuant to § 135.110(j).

§ 135.35 Effectuation of applicant obligations in direct and indirect relationships.

(a) Where the applicant for assistance under a section 3 covered project and the recipient of such assistance are not one and the same, the recipient shall be regarded as the successor in interest of the applicant and shall have the same obligations as the applicant with respect to compliance with these regulations. These obligations shall be incorporated, specifically or by reference in the loan or grant agreement or other contract or agreement through which the assistance is provided to the recipient.

(b) Where the applicant or recipient itself will perform all or part of the work in connection with a section 3 covered project within the meaning of these regulations, with either permanent or temporary staff by force account, it will provide the Department with all forms and assurances required of a contractor or subcontractor by these regulations prior to the execution of any loan or grant agreement or other contract or agreement through which assistance is provided.

(c) Where the applicant, recipient or contractor sells, leases, transfers or otherwise conveys land upon which work in connection with a section 3 covered project within the meaning of these regulations is to be performed (for example, under the Urban Renewal or Neighborhood Development program), it shall include in each contract or subcontract for work on such land a clause requiring the purchaser, lessee, or redeveloper to assume the same obligations as a contractor for work under section 3 of these regulations (including the incorporation of the Assurance of Compliance language specified in § 135.20).

(d) Each such purchaser, lessee, or redeveloper shall be relieved of such obligations upon satisfactory completion of all work to be performed under the terms of the redevelopment contract.

Subpart B—Utilization of Lower Income Area Residents as Trainees

§ 135.40 General.

Each applicant, recipient, contractor or subcontractor undertaking work in connection with a section 3 covered project shall fulfill his obligation to utilize lower income project area residents as trainees to the greatest extent feasible by:

(a) Utilizing the maximum number of persons in the various training categories in all phases of the work to be performed under the section 3 covered project; and

(b) Filling all vacant training positions with lower income project area residents except for those training positions which remain unfilled after a good faith effort has been made to fill them with eligible lower income project area residents.

§ 135.45 Establishing number of trainees.

(a) For the building construction occupations, the number of trainees or apprentices for each occupation shall be that number which can reasonably be utilized in each occupation on each phase of a section 3 covered project and in no event shall that number be less than the number of trainees or apprentices determined pursuant to regulations issued by the Secretary of Labor for each building construction occupation.

(b) For nonconstruction occupations or for any building construction occupations for which ratios are not determined pursuant to regulations of the Secretary of Labor, the number of trainees for each occupation shall be that number which can reasonably be utilized in each occupation on each phase of a section 3 covered project. The applicant, recipient, contractor, or subcontractor shall initially determine the maximum number of trainees for each occupation and submit that determination along with its justification to the Department.

§ 135.50 Good faith effort.

(a) Each applicant, recipient, contractor, or subcontractor seeking to establish that a good faith effort as required by § 135.40 has been made to fill all training positions with lower income area residents shall, as a minimum, set forth evidence acceptable to the Secretary that it has:

(1) Ascertained from the Department's Regional Administrator, Area Office Director, or FHA Insuring Office Director having jurisdiction over the section 3 covered project, the boundaries of the section 3 covered project area; and

(2) Attempted to recruit from the appropriate areas the necessary number of lower income residents through: Local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or

serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, or the U.S. Employment Service.

(3) Maintained a list of all lower income area residents who have applied either on their own or on referral from any source, and employ such persons, if otherwise eligible and if a trainee vacancy exists. If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy.

(b) Any applicant, recipient, contractor, or subcontractor which fills vacant § 135.45 apprentice or trainee positions in its organization immediately prior to undertaking work pursuant to a section 3 covered project shall set forth evidence acceptable to the Secretary that its actions were not an attempt to circumvent these regulations.

Subpart C—Utilization of Lower Income Area Residents as Employees

§ 135.55 General.

Each applicant, recipient, contractor or subcontractor undertaking work in connection with a section 3 covered project shall fulfill his obligation to utilize lower income project area residents as employees to the greatest extent feasible by:

(a) Identifying the number of positions in the various occupational categories including skilled, semiskilled, and unskilled labor, needed to perform each phase of the section 3 covered project;

(b) Identifying of the positions identified in paragraph (a) of this section, the number of positions in the various occupational categories which are currently occupied by regular, permanent employees;

(c) Identifying, of the positions identified in paragraph (a) of this section, the number of positions in the various occupational categories which are not currently occupied by regular, permanent employees;

(d) Establishing, of the positions identified in paragraph (c) of this section, a goal which is consistent with the purpose of this subpart within each occupational category of the number of positions to be filled by lower income residents of the section 3 covered project area; and

(e) Making a good faith effort to fill all of the positions identified in paragraph (d) of this section with lower income project area residents.

§ 135.60 Good faith effort.

(a) Each applicant, recipient, contractor, or subcontractor seeking to establish that a good faith effort as required by paragraph (e) of § 135.55 has been made to fill all employment positions identified in paragraph (d) of § 135.55 with lower income project area residents shall, as a minimum, set forth evidence acceptable to the Secretary that it has:

(1) Ascertained from the Department's Regional Administrator, Area Office Director, or FHA Insuring Office Director

having jurisdiction over the section 3 covered project the boundaries of the section 3 covered project area; and

(2) Attempted to recruit from the appropriate areas the necessary number of lower income residents through: Local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Project Area Committees (PAC) in urban renewal areas, Model Cities citizen advisory boards, Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, or the U.S. Employment Service.

(b) Any applicant, recipient, contractor, or subcontractor which fills vacant § 135.55(d) employment positions in its organization immediately prior to undertaking work pursuant to a section 3 covered contract shall set forth evidence acceptable to the Secretary that its actions were not an attempt to circumvent these regulations.

(c) When lower income resident workers apply, either on their own initiative or on referral from any source, the recipient, contractor, or subcontractor shall determine the qualifications of such persons and shall employ such persons if their qualifications are satisfactory and the contractor has openings. If the recipient, contractor, or subcontractor is unable to employ the workers, such persons shall be listed for the first available opening.

Subpart D—Utilization of Business Located in or Owned in Substantial Part by Persons Residing in the Area

§ 135.65 General.

Each applicant, recipient, contractor, or subcontractor undertaking work on a section 3 covered project shall assure that to the greatest extent feasible, contracts for work to be performed in connection with the project are awarded to business concerns located within the section 3 covered project area or business concerns owned in substantial part by persons residing in the section 3 covered area. The Department, in consultation with the Small Business Administration will establish for the section 3 covered project area a registry of business concerns which meet the definition contained in § 135.5(b) and (c). Each applicant, recipient, contractor, or subcontractor undertaking work in connection with a section 3 covered project shall fulfill his obligations to utilize business concerns located within or owned in substantial part by persons residing in the section 3 covered project area by developing and implementing an affirmative action plan.

§ 135.70 Development of an affirmative action plan.

In developing an affirmative action plan, each applicant, recipient, contractor, and subcontractor preparing to undertake work pursuant to a section 3 covered contract shall:

(a) Set forth the approximate number and dollar value of all contracts proposed to be awarded to all businesses within each category (type or profession) over the duration of the section 3 covered project in question.

(b) Analyze the information set forth in paragraph (a) of this section and the availability of eligible business concerns within the project area doing business in professions or occupations identified as needed in paragraph (a) of this section, and set forth a goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category over the duration of the section 3 covered project.

(c) Outline the anticipated program to be used to achieve the goals for each business and/or professional category identified. This program should include but not be limited to the following actions:

(1) Insertion in the bid documents, if any, of the affirmative action plan of the applicant, recipient, contractor, or subcontractor letting the contract; and

(2) Identification within the bid document, if any, of the applicable section 3 project area.

(d) Indicate the anticipated process and steps which have been taken and/or will be taken to secure the cooperation of contractors, subcontractors, and unions in meeting the goals and carrying out the affirmative action plan developed pursuant to this subpart.

(e) Take steps to insure that the appropriate business concerns included in the Department's registry for the section 3 covered project area are notified of pending contractual opportunities either personally or through locally utilized media. All applicants, recipients, contractors and subcontractors which so notify concerns included in the Department's registry of available contracts and of opportunities to submit bids shall satisfy all requirements of this Part for notification of business concerns located within the section 3 covered project area and business concerns owned in substantial part by persons residing in the section 3 covered project area.

(f) Take steps to insure that contracts which are typically let on a negotiated rather than a bid basis in areas other than section 3 covered project areas, are also let on a negotiated basis, whenever feasible, when let in a section 3 covered project area.

(g) Where competitive bids are solicited, require the bidders to submit their utilization goals, and their affirmative action plans for accomplishing their goals, and in evaluating each bid to determine its responsiveness, carefully evaluate the bidders' submission to determine whether the affirmative action plan proposed will accomplish the stated goals.

(h) Where advantageous, seek the assistance of local officials of the Department in preparing and implementing the affirmative action plan.

(i) In implementing its affirmative action plan, each applicant, recipient, contractor, or subcontractor shall make a

good faith effort to achieve its goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category over the duration of the section 3 covered project. Each applicant, recipient, contractor, or subcontractor seeking to establish that a good faith effort has been made to implement its affirmative action plan, as required by this paragraph, shall as a minimum, set forth evidence acceptable to the Secretary that it has implemented the steps required by paragraphs (c), (d), (e), (f), (g), and (h) of this section and has ascertained from the Department's Regional Administrator, Area Office Director, or FHA Office Director having jurisdiction over the section 3 covered project, the boundaries of the section 3 covered project area, if available, and attempted to recruit from the appropriate areas the necessary eligible business concerns through: Local advertising media, signs placed at the proposed site for the project; and community organizations and public or private institutions operating within or serving the project area, such as Project Area Committees (PAC) in urban renewal areas, Model Cities citizen advisory boards, Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, or the U.S. Employment Service, as well as the Chamber of Commerce and any equivalent organizations in the section 3 covered project area.

Subpart E—Participation in Approved Programs

§ 135.75 Participation as evidence of compliance with section 3 requirements.

Any applicant, recipient, contractor, or subcontractor may fulfill his obligations under Subparts B, C, and D of this part, respectively, to utilize lower income project area residents as trainees or employees on section 3 covered projects, and to award contracts to business concerns located in, or owned in substantial part by residents of, section 3 covered project areas by presenting evidence satisfactory to the Secretary that he is a cooperating participant in a federally assisted or other public program approved by the Department of Housing and Urban Development which provides training, employment, and/or business opportunities to lower income persons and business concerns which meet the definition in § 135.5(b) and (c). The Secretary shall, from time to time, make public a list of such training, employment, and/or business opportunity programs approved by the Department.

Subpart F—Grievance and Compliance Review

§ 135.80 Who may file grievance.

Any lower income resident of the project area, for himself or as a representative of persons similarly situated, seeking employment or training opportunities with an applicant, recipient, contractor, or subcontractor, or any business

concern located in, or owned in substantial part by persons residing within a project area seeking contract opportunities from any applicant, recipient, contractor, or subcontractor, for itself or as a representative of persons or firms similarly situated, may personally or by an authorized representative file a grievance alleging noncompliance with section 3, these regulations, or obligations undertaken pursuant thereto.

§ 135.85 Content of grievance filings.

(a) The grievance should include: (1) The name and address of the grievant, (2) the name and address of the grievant's business, if applicable, (3) the name and address of the applicant, recipient, contractor, or subcontractor (in this subpart called "respondent"), (4) a description of the acts or omissions giving rise to the grievance, and (5) the corrective action sought.

(b) Where a grievance contains incomplete information, the Secretary shall seek promptly the needed information from the grievant. In the event such information is not furnished to the Secretary within sixty (60) days of the date of such request, the grievance may be closed.

§ 135.90 Form of grievance filings.

Each grievance shall be in writing and signed.

§ 135.95 Place of filing.

A grievance may be filed by mailing it to the Assistant Secretary for Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410, or by presenting it at any Regional Office, Area Office, or FHA Insuring Office of the Department. Any employee of the Department receiving a grievance shall forward the same directly to the Assistant Secretary for Equal Opportunity.

§ 135.100 Time of filing.

A grievance must be filed not later than ninety (90) days from the date of the action (or omission) upon which the grievance is based, unless the time for filing is extended by the Secretary upon good cause shown.

§ 135.105 Processing of grievance filings.

(a) Upon receipt of a grievance a copy thereof shall be furnished the respondent by certified mail or through personal service.

(b) The Secretary shall conduct an investigation of each grievance filed, and shall give notice in writing to the grievant and the respondent as to whether he intends to resolve it.

(c) Notwithstanding paragraphs (a) and (b) of this section, where the allegations of a grievance on their face, or as amplified by the statements of the grievant, disclose that the grievance is not timely filed, or otherwise fails to state a valid claim for relief under these regulations or any other authority within the jurisdiction of the Department, the Secretary may dismiss the grievance with-

out further action. To the extent that Executive Order 11246 relating to Equal Opportunity in Employment applies to the subject matter of the grievance, the procedures required by applicable regulations implementing that order shall be followed.

(d) If the Secretary decides not to resolve a grievance, or to dismiss it under paragraph (c) of this section, he shall advise the grievant of the disposition of his grievance. Respondent shall also be notified in any case where he has been served with a copy of the grievance.

(e) Any party adversely affected by a determination under paragraph (b) or (c) of this section may, within 5 days of receipt of a notice of determination, request that the Secretary reconsider his action. Such request for reconsideration will be granted only on the basis of additional material evidence not previously available to the party requesting reconsideration or for other good cause shown.

(f) If the Secretary decides to resolve a grievance, he shall endeavor to eliminate or correct the matters complained of in the grievance by informal methods of conference, conciliation, and persuasion.

(g) In conciliating a grievance, the Secretary shall attempt to achieve a just resolution of the grievance including (1) specific relief for the grievant, (2) affirmative actions by the respondent to relieve the effects of past violation and preclude the occurrence of future violation, and (3) appropriate reporting requirements. Notice of a proposed disposition of a grievance and of the terms of a proposed settlement, if any, shall be given to the parties, or their representatives, by the Secretary, in writing. If satisfactory, the proposed settlement shall be signed by the grievant and the respondent or their representatives and approved by the Secretary. The Secretary may, from time to time, review compliance with the terms of any settlement agreement and may, upon a finding of noncompliance, reopen the grievance or take such enforcement action as is provided for under the settlement agreement or as may otherwise be appropriate.

(h) Should a respondent fail or refuse to confer with the Secretary or fail or refuse to make a good faith effort to resolve the grievance, or should the Secretary find for any other reason that voluntary agreement is not likely to result, the Secretary may terminate his efforts to conciliate the dispute. In the latter event the parties shall be notified promptly, in writing, that such efforts have been unsuccessful.

(i) If the Department is unable to obtain voluntary compliance, the Secretary shall advise the grievant and the parties in writing of his proposed resolution of the grievance. Such resolution shall become final and binding on the parties, unless within 15 days after the receipt of notification, either party files with the Secretary a written request for a hearing on the matter.

§ 135.110 Hearings.

(a) Whenever a hearing is requested, reasonable notice shall be given by regi-

tered or certified mail, return receipt requested, to the parties. This notice shall advise the parties of the action proposed to be taken, the specific provision under which the proposed action is to be taken, and the matters of fact or law asserted as the basis for this action. In addition, it shall either (1) fix a date not less than 20 days after the date of such notice within which the parties may request of the Secretary that the matter be scheduled for hearing or (2) advise the parties that the matter in question has been set down for hearing at a stated time and place. The time and place so fixed shall be subject to change for cause. The requesting party may waive a hearing and in lieu thereof submit written information and argument for the record. The failure of the requesting party to appear at a hearing for which a date has been set shall be deemed to be a waiver of the right to a hearing and consent to the making of a decision on the basis of such information as is available.

(b) Hearings shall be held in or near the section 3 covered project area in question, or at such other location as will serve the convenience of parties and witnesses, at a time fixed by the Secretary. Hearings shall be held before the Secretary or, at his discretion, before a hearing examiner designated in accordance with 5 U.S.C. 3105 and 3344.

(c) In all proceedings under this section, the respondent and grievant, if any, shall have the right to be represented by counsel.

(d) The hearing, decision, and any administrative review thereof shall be conducted in conformity with 5 U.S.C. 554-557, and in accordance with such rules of procedure issued by HUD as are proper relating to the conduct of the hearing, the issuance of notice except that provided in paragraph (a) of this section, the taking of testimony, exhibits, arguments, and briefs, requests for findings and other related matters. HUD, the respondent, and the grievant, if any, shall be entitled to introduce all relevant evidence on the issues as stated in the notice of hearing or as determined by the officer conducting the hearing at the outset of or during the hearing.

(e) Technical rules of evidence shall not apply to hearings conducted pursuant to this paragraph but rules or principles designed to assure production of the most credible evidence available and to subject testimony to test by cross-examination shall be applied where deemed reasonably necessary by the officer conducting the hearing. The hearing officer may exclude irrelevant, immaterial, or unduly repetitious evidence. All documents and other evidence offered or taken for the record shall be open to examination by the Department of Housing and Urban Development, the respondent, and the grievant, if any, and opportunity shall be given to refute facts and arguments advanced on either side of the issues. A transcript shall be made of the oral evidence except to the extent the substance thereof is stipulated for the record. All decisions shall be based upon the hearing record and written filings shall be made.

(f) If the hearing is held by a hearing examiner, he shall either render an initial decision, if so authorized, or certify the entire record, including his recommended findings and proposed decision to the Secretary for a final decision. A copy of such initial decision or certification shall be mailed to the respondent and the grievant, or their representative, by certified or registered mail, return receipt requested. Where the initial decision is made by the hearing examiner, the respondent or grievant may within 30 days of the mailing of such notice of initial decision file with the Secretary exceptions to the initial decision, with reasons therefor. In the absence of exception, the Secretary may on his own motion, within 45 days after the initial decision, serve on the respondent and grievant, a notice that he will review the decision. Upon the filing of such exceptions or of such notice of review, the Secretary shall review the initial decision and issue his own decision thereon including the reasons therefor. If no exception is taken or notice of review issued, the initial decision shall constitute the final decision of the Secretary.

(g) Whenever a record is certified to the Secretary for decision or he reviews the decision of a hearing examiner pursuant to paragraph (f) of this section, or whenever the Secretary conducts the hearing, the respondent and grievant shall be given reasonable opportunity to file briefs or other written statements of their contentions, and a copy of the final decision of the Secretary shall be given in writing to the respondent, and to the grievant by certified or registered mail, return receipt requested.

(h) Whenever a hearing is waived pursuant to paragraph (a) of this section, a decision shall be made by the Secretary on the record and a copy of such decision shall be given in writing to the respondent, and to the grievant, by certified or registered mail, return receipt requested.

(i) Each decision of a hearing examiner or the Secretary shall set forth his ruling on each finding, conclusion, or exception presented, and shall identify the requirement or requirements of section 3 of the Housing and Urban Development Act of 1968 or the regulations which the respondent has not complied with.

(j) The final decision may contain such terms, conditions, and other provisions as are consistent with, and will effectuate the purposes of section 3 and these regulations. The decision may also include provisions designed to implement, maintain, and enforce sanctions set forth in § 135.135 until the respondent corrects its noncompliance and satisfies the Secretary that it will fully comply with section 3 and these regulations.

(k) The General Counsel shall represent the Department and shall receive copies of all notices, decisions and other documents which are forwarded to the parties.

(l) The applicant or recipient, if not a party, shall be invited to participate in the hearing and shall receive copies of all notices, decisions, and other documents, which are forwarded to the parties.

§ 135.115 Compliance reviews and procedures.

In order to determine whether the responsibilities imposed upon him by section 3 and these regulations are being properly carried out, the Secretary shall periodically conduct section 3 compliance reviews of selected applicants, recipients, contractors, and subcontractors. A compliance review shall consist of a comprehensive analysis and evaluation of each aspect of the aforementioned section 3 policies, and conditions resulting therefrom. Where deficiencies are found to exist, reasonable efforts shall be made to secure compliance through the conciliation process set forth in § 135.105(g). Compliance reviews may be conducted prior to award of contracts in any case where the Secretary has reasonable grounds based on a substantial grievance, the Department's own investigation, or other substantial evidence, to believe that the applicant, recipient, contractor, or subcontractor will be unable or unwilling to comply with section 3 and the provisions of this part.

Subpart G—Miscellaneous

§ 135.120 Reporting and recordkeeping.

In order to insure that the Secretary is kept informed of the progress being made by the applicant, recipient, contractor, and subcontractor in meeting their obligations under these regulations, each applicant, recipient, contractor, and subcontractor is required to:

(a) Maintain such records and accounts and furnish such information and reports as are required by the Secretary under these regulations or pursuant thereto and permit the Secretary access to books, records, and premises for purposes of investigation in connection with a grievance or to ascertain compliance with these regulations or the rules and orders of the Department issued thereunder.

(b) Advise the Secretary within 15 days of the award of any contract under a section 3 covered project of the steps which have been and will be taken to comply with the requirements of Subparts B, C, and D of this part.

§ 135.125 Implementing procedures and instructions.

All regulations, procedures, and circulars previously issued by the Department designed or purporting to implement the provisions of section 3 are revoked and superseded by this part. Handbook MC 3160.1 entitled Model Cities Resident Employment and Training Requirements, is superseded to the extent that Handbook MC 3160.1 applies to occupations related to housing and urban development including the field of construction, design, architecture, mortgage banking, rehabilitation, maintenance, repair and housing management.

§ 135.130 Labor standards.

All labor standards applicable by statute, regulations, or other administrative issuance shall apply to section 3 covered projects.

§ 135.135 Sanctions and penalties.

Failure or refusal to comply and give satisfactory assurances of future compliance with the requirements of this part shall be proper basis for applying sanctions. Such sanctions as are specified by the grant or loan agreement or contract through which Federal assistance is provided, as well as such sanctions as are specified by the rules, regulations, or applicable policy of the Department of Housing and Urban Development governing the program under which Federal assistance to the project is provided, shall be applied in accordance with the relevant regulations. Any or all of the following actions may be taken, as appropriate: cancellation, termination, or suspension in whole or in part of the contract or agreement; a determination of ineligibility or debarment from any further assistance or contracts under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received, and referral to the Department of Justice for appropriate legal proceedings.

§ 135.140 Effective date.

This part shall become effective on November 23, 1973, and shall apply to all applications for assistance filed with HUD on or after the effective date of this part. However, nothing in this part shall affect requirements already imposed on applicants, recipients and contractors, and subcontractors pursuant to section 3.

JAMES T. LYNN,
Secretary of Housing
and Urban Development.

[FR Doc 73-22417 Filed 10-17-73; 3:22 am]

[4510-27-M]

**Title 41—Public Contract and
Property Management**

**CHAPTER 60—OFFICE OF FEDERAL
CONTRACT COMPLIANCE PRO-
GRAMS, EQUAL EMPLOYMENT OP-
PORTUNITY, DEPARTMENT OF
LABOR**

**COMPLIANCE RESPONSIBILITY FOR
EQUAL EMPLOYMENT OPPORTUNI-
TY**

Final Rule

[NOTE: This reprint incorporates corrections that are published in the FEDERAL REGISTER of Friday, November 3, 1978, in FR Doc. 78-31179.]

AGENCY: Office of Federal Contract Compliance Programs, Labor.

ACTION: Final rule.

SUMMARY: On October 5, 1978, President Carter signed Executive Order 12086 (43 FR 46501), which amended Executive Order 11246, as amended. Executive Order 12086 consolidates into the Department of Labor, effective October 8, 1978, the compliance responsibility for equal employment opportunity programs previously assigned to 11 compliance agencies. This rule makes the necessary changes to the regulations to reflect the consolidated functions authorized under Executive Order 12086.

EFFECTIVE DATE: October 20, 1978.

**FOR FURTHER INFORMATION
CONTACT:**

Edward E. Mitchell, Director, Division of Program Policy, Office of Federal Contract Compliance Programs, Room C-3324, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, D.C. 20210, telephone 202-523-9426.

SUPPLEMENTARY INFORMATION: On October 5, 1978, President Carter signed Executive Order 12086 which consolidates the contract compliance program under Executive Order 11246, as amended, into the Department of Labor. Accordingly, certain regulations which implement the Executive order and regulations which implement section 503 of the Rehabilitation Act of 1973, and section 402 of the Vietnam Era Veterans Readjustment Assistance Act are being republished today in the FEDERAL REGISTER to reflect the consolidation. Essentially, this has been effected simply by deleting the definition of "Compliance Agency" and references to "Contract Compliance Officer" (e.g., in 41 CFR 60-1.3 and 60-1.20(b) respectively).

Because the limited changes made in the regulations to reflect the consolidation are not substantive, the regula-

tions are not being published for public comment. The regulations involved are parts 60-1, 60-2, 60-4, 60-20, 60-30, 60-40, 60-50, 60-60, 60-250, 60-741 of Chapter 60, Title 41, Code of Federal Regulations.

An effort was made to add verbiage only where necessary. In some instances, however, it was necessary to replace deleted material with new verbiage in order to make the regulations intelligible. See, for example, 41 CFR 60-1.24(c)(4).

In addition, the Standard Compliance Review Report which is published as an attachment to revised order No. 14 (41 CFR Part 60-60) has been deleted from the regulations. The Standard Compliance Review Report is not being abolished, however. OFCCP will continue to use parts of the Standard Compliance Review Report in conducting compliance reviews until it is incorporated into the Compliance Manual or otherwise published. A number of references to regulations contained in the Standard Compliance Review Report are obsolete and it was feared that republication would be confusing. Moreover, this Report is a guide to compliance officers for conducting compliance reviews and republication in the regulations is not necessary.

The regulations are designed simply to eliminate confusion which could result if the public is not informed of new procedures and places resulting from the consolidation. Publication for comment therefore is not required. Because these amendments merely reflect technical and clarifying changes, they are not considered significant or major under Executive Order 12044, Improving Government Regulations (43 FR 12661, Mar. 24, 1978), and therefore it is not necessary for the Department to follow the procedures set forth therein, including those for public participation and regulatory analyses.

In consideration of the foregoing, 41 CFR Chapter 60 is amended by republishing parts 60-1, 60-2, 60-4, 60-30, 60-40, 60-60, 60-250, and 60-741 as set forth below.

RAY MARSHALL,
Secretary of Labor.

DONALD ELISBURG,
Assistant Secretary, Employ-
ment Standards Administra-
tion.

WELDON J. ROUGEAU,
Director, Office of Federal
Contract Compliance Programs
OCTOBER 16, 1978.

**PART 60-1—OBLIGATIONS OF CON-
TRACTORS AND SUBCONTRACTORS**

**Subpart A—Preliminary Matters; Equal
Opportunity Clause; Compliance Reports**

- Sec.
60-1.1 Purpose and application.
60-1.2 Administrative responsibility.
60-1.3 Definitions.
60-1.4 Equal opportunity clause.
60-1.5 Exemptions.
60-1.6 [Reserved].
60-1.7 Reports and other required information.
60-1.8 Segregated facilities.
60-1.9 Compliance by labor unions and by recruiting and training agencies.
60-1.10 Foreign government practices.

**Subpart B—General Enforcement; Compliance
Review and Complaint Procedure**

- 60-1.20 Compliance reviews.
60-1.21 Filing complaints.
60-1.22 Where to file.
60-1.23 Contents of complaint.
60-1.24 Processing of matters.
60-1.25 Assumption of jurisdiction by or referrals to the Director.
60-1.26 Enforcement proceedings.
60-1.27 Sanctions and penalties.
60-1.28 Show cause notices.
60-1.29 Preaward notices.
60-1.30 Contract ineligibility list.
60-1.31 Reinstatement of ineligible prime contractors and subcontractors.
60-1.32 Intimidation and interference.

Subpart C—Ancillary Matters

- 60-1.40 Affirmative action compliance programs.
60-1.41 Solicitations or advertisements for employees.
60-1.42 Notices to be posted.
60-1.43 Access to records and site of employment.
60-1.44 Rulings and interpretations.
60-1.45 Existing contracts and subcontracts.
60-1.46 Delegation of authority by the Director.
60-1.47 Effective date.

AUTHORITY: Sec. 201, E.O. 11246 (30 FR 12319), as amended by E.O. 12086.

**Subpart A—Preliminary Matters;
Equal Opportunity Clause; Compliance
Reports**

§ 60-1.1 Purpose and application.

The purpose of the regulations in this part is to achieve the aims of parts II, III, and IV of Executive Order 11246 for the promotion and insuring of equal opportunity for all persons, without regard to race, color, religion, sex, or national origin, employed or seeking employment with Government contractors or with contractors performing under federally assisted construction contracts. The regulations in this part apply to all contracting agencies of the Government and to contractors and subcontractors who perform under Govern-

ment contracts, to the extent set forth in this part. The regulations in this part also apply to all agencies of the Government administering programs involving Federal financial assistance which may include a construction contract, and to all contractors and subcontractors performing under construction contracts which are related to any such programs. The procedures set forth in the regulations in this part govern all disputes relative to a contractor's compliance with his obligations under the equal opportunity clause regardless of whether or not his contract contains a "Disputes" clause. Failure of a contractor or applicant to comply with any provision of the regulations in this part shall be grounds for the imposition of any or all of the sanctions authorized by the order. The regulations in this part do not apply to any action taken to effect compliance with respect to employment practices subject to title VI of the Civil Rights Act of 1964. The rights and remedies of the Government hereunder are not exclusive and do not affect rights and remedies provided elsewhere by law, regulation, or contract; neither do the regulations limit the exercise by the Secretary or Government agencies of powers not herein specifically set forth, but granted to them by the order.

§ 60-1.2 Administrative responsibility.

The Director has been delegated authority and assigned responsibility for carrying out the responsibilities assigned to the Secretary under the Executive order. All correspondence regarding the order should be directed to the Director, Office of Federal Contract Compliance Programs, Employment Standards Administration, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, D.C. 20210.

§ 60-1.3 Definitions.

"Administering agency" means any department, agency and establishment in the executive branch of the Government, including any wholly owned Government corporation, which administers a program involving federally assisted construction contracts.

"Administrative law judge" means an administrative law judge appointed as provided in 5 U.S.C. 3105 and subpart B of part 930 of title 5 of the Code of Federal Regulations (see 37 FR 16787) and qualified to preside at hearings under 5 U.S.C. 557.

"Agency" means any contracting or any administering agency of the Government.

"Applicant" means an applicant for Federal assistance involving a construction contract, or other participant in a program involving a construction contract as determined by

regulation of an administering agency. The term also includes such persons after they become recipients of such Federal assistance.

"Construction work" means the construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

"Contract" means any Government contract or any federally assisted construction contract.

"Contracting agency" means any department, agency, establishment, or instrumentality in the executive branch of the Government, including any wholly owned Government corporation, which enters into contracts.

"Contractor" means, unless otherwise indicated, a prime contractor or subcontractor.

"Director" means the Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor or any person to whom he delegates authority under the regulations in this chapter.

"Equal opportunity clause" means the contract provisions set forth in § 60-1.4 (a) or (b), as appropriate.

"Federally assisted construction contract" means any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the Government or borrowed on the credit of the Government pursuant to any Federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the Government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

"Government" means the government of the United States of America.

"Government contract" means any agreement or modification thereof between any contracting agency and any person for the furnishing of supplies or services or for the use of real or personal property, including lease arrangements. The term "services", as used in this section includes, but is not limited to the following services: Utility, construction, transportation, research, insurance, and fund depositary. The term "Government contract" does not include (1) agreements in which the parties stand in the relationship of employer and employee, and (2) federally assisted construction contracts.

"Minority group" as used herein shall include, where appropriate, female employees and perspective female employees.

"Modification" means any alteration in the terms and conditions of a contract, including supplemental agreements, amendments, and extensions.

"Order," "Executive Order," or "Executive Order 11246" means parts II, III, and IV of the Executive Order 11246 dated September 24, 1965 (30 FR 12319), any Executive order amending such order, and any other Executive order superseding such order.

"Person" means any natural person, corporation, partnership, unincorporated association, State or local government, and any agency, instrumentality, or subdivision of such a government.

"Prime contractor" means any person holding a contract and, for the purposes of Subpart B of this part, any person who has held a contract subject to the order.

"Recruiting and training agency" means any person who refers workers to any contractor or subcontractor or who provides for employment by any contractor or subcontractor.

"Rules, regulations, and relevant orders of the Secretary of Labor" used in paragraph (4) of the equal opportunity clause means rules, regulations, and relevant orders of the Secretary of Labor or his designee issued pursuant to the order.

"Secretary" means the Secretary of Labor, U.S. Department of Labor.

"Site of construction" means the general physical location of any building, highway, or other change or improvement to real property which is undergoing construction, rehabilitation, alteration, conversion, extension, demolition, or repair and any temporary location or facility at which a contractor, subcontractor, or other participating party meets a demand or performs a function relating to the contract or subcontract.

"Subcontract" means any agreement or arrangement between a contractor and any person (in which the parties do not stand in the relationship of an employer and an employee):

(1) For the furnishing of supplies or services or for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts; or

(2) Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken, or assumed.

"Subcontractor" means any person holding a subcontract and, for the purposes of Subpart B of this part, any person who has held a subcontract subject to the order. The term "First-

the subcontractor" refers to a subcontractor holding a subcontract with a prime contractor.

"United States" as used herein shall include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and the possessions of the United States.

§ 60-1.1 Equal opportunity clause.

(a) **Government contracts.** Except as otherwise provided, each contracting agency shall include the following equal opportunity clause contained in section 202 of the order in each of its Government contracts (and modifications thereof if not included in the original contract):

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended

in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for non-compliance. *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

(b) **Federally assisted construction contracts.** (1) Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consider-

ation for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for non-compliance. *Provided, however,* that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work. *Provided,* That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and rele-

tant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

(c) *Subcontracts.*

Each nonexempt prime contractor or subcontractor shall include the equal opportunity clause in each of its nonexempt subcontracts.

(d) *Incorporation by reference.* The equal opportunity clause may be incorporated by reference in all Government contracts and subcontracts, including Government bills of lading, transportation requests, contracts for deposit of Government funds, and contracts for issuing and paying U.S. savings bonds and notes, and such other contracts and subcontracts as the Director may designate.

(e) *Incorporation by operation of the Order.* By operation of the Order, the equal opportunity clause shall be considered to be a part of every contract and subcontract required by the Order and the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts and whether or not the contract between the agency and the contractor is written.

(f) *Adaptation of language.* Such necessary changes in language may be made in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings.

§ 60-1.5 Exemptions.

(a) *General.*—(1) *Transactions of \$10,000 or under.* Contracts and subcontracts not exceeding \$10,000, other than Government bills of lading, and other than contracts and subcontracts with depositories of Federal funds in

any amount and with financial institutions which are issuing and paying agents for U.S. savings bonds and savings notes, are exempt from the requirements of the equal opportunity clause. In determining the applicability of this exemption to any federally assisted construction contract, or subcontract thereunder, the amount of such contract or subcontract rather than the amount of the Federal financial assistance shall govern. No agency, contractor, or subcontractor shall procure supplies or services in a manner so as to avoid applicability of the equal opportunity clause: *Provided*, that where a contractor has contracts or subcontracts with the Government in any 12-month period which have an aggregate total value (or can reasonably be expected to have an aggregate total value) exceeding \$10,000, the \$10,000 or under exemption does not apply, and the contracts are subject to the order and the regulations issued pursuant thereto regardless of whether any single contract exceeds \$10,000.

(2) *Contracts and subcontracts for indefinite quantities.* With respect to contracts and subcontracts for indefinite quantities (including, but not limited to, open end contracts, requirement-type contracts, Federal Supply Schedule contracts, "call-type" contracts, and purchase notice agreements), the equal opportunity clause shall be included unless the purchaser has reason to believe that the amount to be ordered in any year under such contract will not exceed \$10,000. The applicability of the equal opportunity clause shall be determined by the purchaser at the time of award for the first year, and annually thereafter for succeeding years, if any. Notwithstanding the above, the equal opportunity clause shall be applied to such contract whenever the amount of a single order exceeds \$10,000. Once the equal opportunity clause is determined to be applicable, the contract shall continue to be subject to such clause for its duration, regardless of the amounts ordered, or reasonably expected to be ordered in any year.

(3) *Work outside the United States.* Contracts and subcontracts are exempt from the requirements of the equal opportunity clause with regard to work performed outside the United States by employees who were not recruited within the United States.

(4) *Contracts with State or local governments.* The requirements of the equal opportunity clause in any contract or subcontract with a State or local government (or any agency, instrumentality or subdivision thereof) shall not be applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract or subcontract. In addition, any

agency, instrumentality or subdivision of such government, except for educational institutions and medical facilities, are exempt from the requirements of filing the annual compliance report provided for by § 60-1.7(a)(1) and maintaining a written affirmative action compliance program prescribed by § 60-1.40 and part 60-2 of this chapter.

(5) *Contracts with certain educational institutions.* It shall not be a violation of the equal opportunity clause for a school, college, university, or other educational institution or institution of learning to hire and employ employees of a particular religion if such school, college, university, or other educational institution or institution of learning is, in whole or in substantial part, owned, supported, controlled, or managed by a particular religion or by a particular religious corporation, association, or society, or if the curriculum of such school, college, university, or other educational institution or institution of learning is directed toward the propagation of a particular religion. The primary thrust of this provision is directed at religiously oriented church-related colleges and universities and should be so interpreted.

(6) *Work on or near Indian reservations.* It shall not be a violation of the equal opportunity clause for a construction or nonconstruction contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation in connection with employment opportunities on or near an Indian reservation. The use of the word "near" would include all that area where a person seeking employment could reasonably be expected to commute to and from in the course of a work day. Contractors or subcontractors extending such a preference shall not, however, discriminate among Indians on the basis of religion, sex, or tribal affiliation, and the use of such a preference shall not excuse a contractor from complying with the other requirements contained in this chapter.

(b) *Specific contracts and facilities.*—(1) *Specific contracts.* The Director may exempt an agency or any person from requiring the inclusion of any or all of the equal opportunity clause in any specific contract or subcontract when he deems that special circumstances in the national interest so require. The Director may also exempt groups or categories of contracts or subcontracts of the same type where he finds it impracticable to act upon each request individually or where group exemptions will contribute to convenience in the administration of the order.

(2) *Facilities not connected with contracts.* The Director may exempt

from the requirements of the equal opportunity clause any of a prime contractor's or subcontractor's facilities which he finds to be in all respects separate and distinct from activities of the prime contractor or subcontractor related to the performance of the contract or subcontract, provided that he also finds that such an exemption will not interfere with or impede the effectuation of the order.

(c) *National security.* Any requirement set forth in these regulations in this part shall not apply to any contract or subcontract whenever the head of an agency determines that such contract or subcontract is essential to the national security and that its award without complying with such requirement is necessary to the national security. Upon making such a determination, the head of the agency will notify the Director in writing within 30 days.

(d) *Withdrawal of exemption.* When any contract or subcontract is of a class exempted under this section, the Director may withdraw the exemption for a specific contract or subcontract or group of contracts or subcontracts when in his judgment such action is necessary or appropriate to achieve the purposes of the order. Such withdrawal shall not apply to contracts or subcontracts awarded prior to the withdrawal, except that in procurements entered into by formal advertising, or the various forms of restricted formal advertising, such withdrawal shall not apply unless the withdrawal is made more than 10 calendar days before the date set for the opening of the bids.

§ 60-1.6 [Reserved]

§ 60-1.7 Reports and other required information.

(a) *Requirements for prime contractors and subcontractors.* (1) Each prime contractor and subcontractor shall file annually, on or before the 31st day of March, complete and accurate reports on Standard Form 100 (EEO-1) promulgated jointly by the Office of Federal Contract Compliance Programs, the Equal Employment Opportunity Commission and Plans for Progress or such form as may hereafter be promulgated in its place if such prime contractor or subcontractor (i) is not exempt from the provisions of these regulations in accordance with § 60-1.5; (ii) has 50 or more employees; (iii) is a prime contractor or first tier subcontractor; and (iv) has a contract, subcontract or purchase order amounting to \$50,000 or more or serves as a depository of Government funds in any amount, or is a financial institution which is an issuing and paying agent for U.S. savings bonds and savings notes: *Provided*, That any

subcontractor being the first tier which performs construction work at the site of construction shall be required to file such a report if it meets requirements of paragraphs (a)(1) (i), (ii), and (iv) of this section.

(2) Each person required by § 60-1.7(a)(1) to submit reports shall file such a report with the contracting or administering agency within 30 days after the award to him of a contract or subcontract, unless such person has submitted such a report within 12 months preceding the date of the award. Subsequent reports shall be submitted annually in accordance with § 60-1.7(a)(1), or at such other intervals as the Director may require. The Director may extend the time for filing any report.

(3) The Director or the applicant, on their own motions, may require a contractor to keep employment or other records and to furnish, in the form requested, within reasonable limits, such information as the Director or the applicant deems necessary for the administration of the order.

(4) Failure to file timely, complete and accurate reports as required constitutes noncompliance with the prime contractor's or subcontractor's obligations under the equal opportunity clause and is ground for the imposition by the Director, an applicant, prime contractor or subcontractor, of any sanctions as authorized by the order and the regulations in this part.

(b) *Requirements for bidders or prospective contractors.* (1) *Certification of compliance with Part 60-2: Affirmative Action Programs.* Each agency shall require each bidder or prospective prime contractor and proposed subcontractor, where appropriate, to state in the bid or in writing at the outset of negotiations for the contract: (i) Whether it has developed and has on file at each establishment affirmative action programs pursuant to Part 60-2 of this chapter; (ii) whether it has participated in any previous contract or subcontract subject to the equal opportunity clause; (iii) whether it has filed with the Joint Reporting Committee, the Director or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements.

(2) *Additional information.* A bidder or prospective prime contractor or proposed subcontractor shall be required to submit such information as the Director requests prior to the award of the contract or subcontract. When a determination has been made to award the contract or subcontract to a specific contractor, such contractor shall be required, prior to award, or after the award, or both, to furnish such other information as the applicant or the Director requests.

(c) *Use of reports.* Reports filed pursuant to this section shall be used only in connection with the administration of the order, the Civil Rights Act of 1964, or in furtherance of the purposes of the order and said Act.

§ 60-1.8 Segregated facilities.

(a) *General.* In order to comply with his obligations under the equal opportunity clause, a prime contractor or subcontractor must insure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, or national origin cannot result. He may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. His obligation extends further to insuring that his employees are not assigned to perform their services at any location, under his control, where the facilities are segregated. This obligation extends to all contracts containing the equal opportunity clause regardless of the amount of the contract. The term "facilities" as used in this section means waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, wash rooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees.

(b) *Certification by prime contractors and subcontractors.* Prior to the award of any nonexempt Government contract or subcontract or federally assisted construction contract or subcontract, each agency or applicant shall require the prospective prime contractor and each prime contractor and subcontractor shall require each subcontractor to submit a certification, in the form approved by the Director, that the prospective prime contractor or subcontractor does not and will not maintain any facilities he provides for his employees in a segregated manner, or permit his employees to perform their services at any location, under his control, where segregated facilities are maintained; and that he will obtain a similar certification in the form approved by the Director, prior to the award of any nonexempt subcontract.

§ 60-1.9 Compliance by labor unions and by recruiting and training agencies.

(a) Whenever compliance with the equal opportunity clause may necessitate a revision of a collective bargaining agreement the labor union or unions which are parties to such an agreement shall be given an adequate opportunity to present their views to the director.

(b) The Director shall use his best efforts, directly and through agencies,

contractors, subcontractors, applicants, State and local officials, public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting and training agency or other representative of workers who are or may be engaged in work under contracts and subcontracts to cooperate with, and to comply in the implementation of, the purposes of the order.

(c) In order to effectuate the purposes of paragraph (a) of this section, the Director may hold hearings, public or private, with respect to the practices and policies of any such labor union or recruiting and training agency.

(d) The Director may notify any Federal, State, or local agency of his conclusions and recommendations with respect to any such labor organization or recruiting and training agency which in his judgment has failed to cooperate with himself, agencies, prime contractors, subcontractors, or applicants in carrying out the purposes of the order. The Director also may notify the Equal Employment Opportunity Commission, the Department of Justice, or other appropriate Federal agencies whenever he has reason to believe that the practices of any such labor organization or agency violates title VII of the Civil Rights Act of 1964 or other provisions of Federal law.

§ 60-1.10 Foreign government practices.

Contractors shall not discriminate on the basis of race, color, religion, sex, or national origin when hiring or making employee assignments for work to be performed in the United States or abroad. Contractors are exempted from this obligation only when hiring persons outside the United States for work to be performed outside the United States (see 41 CFR 60-1.5(a)(3)). Therefore, a contractor hiring workers in the United States for either Federal or nonfederally connected work shall be in violation of Executive Order 11246, as amended, by refusing to employ or assign any person because of race, color, religion, sex, or national origin regardless of the policies of the country where the work is to be performed or for whom the work will be performed. Should any contractor be unable to acquire a visa of entry for any employee or potential employee to a country in which or with which it is doing business, and which refusal it believes is due to the race, color, religion, sex, or national origin of the employee or potential employee, the contractor must immediately notify the Department of State and the Director of such refusal.

Subpart B—General Enforcement: Compliance Review and Complaint Procedure

§ 60-1.20 Compliance reviews.

(a) The purpose of a compliance review is to determine if the prime contractor or subcontractor maintains nondiscriminatory hiring and employment practices and is taking affirmative action to insure that applicants are employed and that employees are placed, trained, upgraded, promoted, and otherwise treated during employment without regard to race, color, religion, sex, or national origin. It shall consist of a comprehensive analysis and evaluation of each aspect of the aforementioned practices, policies, and conditions resulting therefrom. Where necessary, recommendations for appropriate sanctions shall be made.

(b) Where deficiencies are found to exist, reasonable efforts shall be made to secure compliance through conciliation and persuasion. Before the contractor can be found to be in compliance with the order, it must make a specific commitment, in writing, to correct any such deficiencies. The commitment must include the precise action to be taken and dates for completion. The time period allotted shall be no longer than the minimum period necessary to effect such changes. Upon approval of the commitment, the contractor may be considered in compliance, on condition that the commitments are faithfully kept. The contractor shall be notified that making such commitments does not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.

(c) [Reserved]

(d) Each agency shall include in the invitation for bids for each formally advertised nonconstruction contract or state at the outset of negotiations for each negotiated contract, that if the award, when let, should exceed the amount of \$1 million or more, the prospective contractor and his known first-tier subcontractors with subcontracts of \$1 million or more will be subject to a compliance review before the award of the contract. No such contract shall be awarded unless a preaward compliance review of the prospective contractor and his known first-tier \$1 million subcontractors has been conducted within 12 months prior to the award. The awarding agency will notify OFCCP and request appropriate action and findings in accordance with this subsection. OFCCP will provide awarding agencies with written reports of compliance within 30 days following the request. In order to qualify for the award of a contract, a contractor and such first-tier subcontractors must be found to be in compliance

pursuant to paragraph (b) of this section, and with part 60-2 of these regulations.

§ 60-1.21 Filing complaints.

Complaints shall be filed within 180 days of the alleged violation unless the time for filing is extended by the Director for good cause shown.

§ 60-1.22 Where to file.

Complaints may be filed with the OFCCP, 200 Constitution Avenue, NW., Washington, D.C. 20210, or with any OFCCP regional or area office.

§ 60-1.23 Contents of complaint.

(a) The complaint shall include the name, address, and telephone number of the complainant, the name and address of the contractor or subcontractor committing the alleged discrimination, a description of the acts considered to be discriminatory, and any other pertinent information which will assist in the investigation and resolution of the complaint. The complaint shall be signed by the complainant or his/her authorized representative. Complaints alleging class-type violations which do not identify the alleged discriminatee or discriminatees will be accepted, provided the other requirements of this paragraph are met.

(b) If a complaint contains incomplete information, OFCCP shall seek the needed information from the complainant. In the event such information is not furnished to the Director within 60 days of the date of such request, the case may be closed.

§ 60-1.24 Processing of matters.

(a) *Complaints.* OFCCP may refer appropriate complaints to the Equal Employment Opportunity Commission (EEOC) for processing under Title VII of the Civil Rights Act of 1964, as amended, rather than processing under E.O. 11246 and the regulations in this chapter. Upon referring complaints to the EEOC, OFCCP shall promptly notify complainant(s) and the contractor of such referral.

(b) *Complaint investigations.* In conducting complaint investigations, OFCCP shall, as a minimum, conduct a thorough evaluation of the allegations of the complaint and shall be responsible for developing a complete case record. The case record should contain the name, address, and telephone number of each person interviewed, the interview statements, copies, transcripts, or summaries (where appropriate) of pertinent documents, a reference to at least one covered contract, and a narrative report of the investigation with references to exhibits and other evidence which relate to the alleged violations.

(c)(1) [Reserved]

(2) If any complaint investigation or compliance review indicates a violation of the equal opportunity clause, the matter should be resolved by informal means whenever possible. Such informal means may include the holding of a compliance conference.

(3) Where any complaint investigation or compliance review indicates a violation of the equal opportunity clause and the matter has not been resolved by informal means, the Director shall proceed in accordance with § 60-1.26.

(4) When a prime contractor or subcontractor, without a hearing, shall have complied with the recommendations or orders of the Director and believes such recommendations or orders to be erroneous, he shall, upon filing a request therefor within ten days of such compliance, be afforded an opportunity for a hearing and review of the alleged erroneous action.

(5) For reasonable cause shown, the Director may reconsider or cause to be reconsidered any matter on his/her own motion or pursuant to a request.

(d) *Reports to the Director.* (1) With the exception of complaints which have been referred to EEOC, within 60 days from receipt of a complaint or within such additional time as may be allowed by the Director for good cause shown, the complaint shall be processed and the case record developed containing the following information:

(i) Name and address of the complainant;

(ii) Brief summary of findings, including a statement regarding the contractor's compliance or noncompliance with the requirements of the equal opportunity clause;

(iii) A statement of the disposition of the case, including any corrective action taken and any sanctions or penalties imposed or, whenever appropriate, the recommended corrective action and sanctions or penalties.

(2) A written report of every preaward compliance review required by this regulation or otherwise required by the Director, shall be developed and maintained.

(3) A written report of every other compliance review or any other matter processed involving an apparent violation of the equal opportunity clause shall be made. Such report shall contain a brief summary of the findings, including a statement of conclusions regarding the contractor's compliance or noncompliance with the requirements of the order, and a statement of the disposition of the case, including any corrective action taken or recommended and any sanctions or penalties imposed or recommended.

§ 60-1.25 Assumption of jurisdiction by or referrals to the Director.

The Director may inquire into the status of any matter pending before an agency. Where he considers it necessary or appropriate to the achievement of the purposes of the order, he may assume jurisdiction over the matter and proceed as provided herein. Whenever the Director assumes jurisdiction over any matter, or an agency refers any matter he may conduct, or have conducted, such investigations, hold such hearings, make such findings, issue such recommendations and directives, order such sanctions and penalties, and take such other action as may be necessary or appropriate to achieve the purposes of the order. The Director shall promptly notify the agency of any corrective action to be taken or any sanctions to be taken or any sanction to be imposed by the agency. The agency shall take such action, and report the results thereof to the Director within the time specified.

§ 60-1.26 Enforcement proceedings.

(a) *General.* Violations of the Order, equal opportunity clause, the regulations in this chapter, or of applicable construction industry equal employment opportunity requirements, may result in the institution of administrative or judicial enforcement proceedings to enforce the Order and to seek appropriate relief. Violations may be found based upon, inter alia, any of the following: (i) The results of a complaint investigation; (ii) analysis of an affirmative action program; (iii) the results of an on-site review of the contractor's compliance with the Order and its implementing regulations; (iv) a contractor's refusal to submit an affirmative action program; (v) a contractor's refusal to allow an on-site compliance review to be conducted; (vi) a contractor's refusal to supply records or other information as required by these regulations or applicable construction industry requirements; or (vii) any substantial or material violation or the threat of a substantial or material violation of the contractual provisions of the Order, or of the rules or regulations issued pursuant thereto.

(2) If the investigation of a complaint, or a compliance review, results in a determination that the Order, equal opportunity clause or regulations issued pursuant thereto, have been violated, and the violations have not been corrected in accordance with the conciliation procedures in this chapter, OFCCP may institute an administrative enforcement proceeding to enjoin the violations, to seek appropriate relief (which may include affected class and back pay relief), and to impose appropriate sanctions, or

any of the above. However, if the contractor refuses to submit an affirmative action program, or refuses to supply records or other requested information, or refuses to allow the OFCCP access to its premises for an on-site review; and if conciliation efforts under this chapter are unsuccessful, OFCCP, notwithstanding the requirements of this chapter, may go directly to administrative enforcement proceedings to enjoin the violations, to seek appropriate relief, and to impose appropriate sanctions, or any of the above. Whenever the Director has reason to believe that there is substantial or material violation or the threat of substantial or material violation of the contractual provisions of the Order or of the rules, regulations or orders issued pursuant thereto, he/she may refer the matter to the Solicitor of Labor to institute administrative enforcement proceedings as set forth in this section or refer the matter to the Department of Justice to enforce the contractual provisions of the Order, to seek injunctive relief (including relief against noncontractors, including labor unions, who seek to thwart implementation of the Order and regulations) and to seek such additional relief, including back pay, as may be appropriate. There are no procedural prerequisites to a referral to the Department of Justice by the Director, and such referrals may be accomplished without proceeding through the conciliation procedures in this chapter, and a referral may be made at any stage in the procedures under this chapter. *Provided*, That no order for debarment from further contracts or subcontracts pursuant to section 209(a)(6) of the Order shall be made without affording the contractor an opportunity for a hearing, either administrative or judicial.

(b) *(Reserved)*

(c) *Administrative enforcement proceedings.* Administrative enforcement proceedings shall be conducted under the control and supervision of the Solicitor of Labor and under the Rules of Practice for Administrative Proceedings to Enforce Equal Opportunity Under Executive Order 11246 contained in Part 60-30 of this chapter.

(d) *Decision following administrative proceeding.* If it is determined after a hearing (or after the contractor waives a hearing) that the contractor is violating the Order or the regulations issued thereunder, the Secretary (in accordance with 41 CFR 60-30.30(a)) shall issue an Administrative Order enjoining the violations and requiring the contractor to provide whatever remedies are appropriate, and imposing whatever sanctions are appropriate, or any of the above. In any event, failure to comply with the Administrative Order shall result in

the imposition of the sanctions contained in section 209 (a)(5) or (a)(6) of the Executive Order.

(e) *Referrals to the Department of Justice* (1) Whenever a matter has been referred to the Department of Justice for consideration of judicial proceedings pursuant to § 60-1.26(a)(2) of these regulations, the Attorney General may bring a civil action in the appropriate district court of the United States requesting a temporary restraining order, preliminary or permanent injunction, and an order for such additional equitable relief, including back pay, deemed necessary or appropriate to ensure the full enjoyment of the rights secured by the Order, or any of the above.

(2) The Attorney General is authorized to conduct such investigation of the facts as he may deem necessary or appropriate to carry out his responsibilities under these regulations.

(3) Prior to the institution of any judicial proceedings, the Attorney General, on behalf of the Director, is authorized to make reasonable efforts to secure compliance with the contract provisions of the Order. He may do so by providing the contractor and any other respondent with reasonable notice of his findings, his intent to file suit, and the actions he believes necessary to obtain compliance with the contract provisions of the Order without contested litigation, and by offering the contractor and any other respondent a reasonable opportunity for conference and conciliation, in an effort to obtain such compliance without contested litigation.

(4) As defined in these regulations, the Attorney General shall mean the Attorney General, the Assistant Attorney General for Civil Rights, or any other person authorized by regulations or practice to act for the Attorney General with respect to the enforcement of equal employment opportunity laws, orders and regulations generally, or in a particular matter or case.

(5) The Director or his/her designee, and representatives of the Attorney General may consult from time to time to determine what investigations should be conducted to determine whether contractors or groups of contractors or other persons may be engaged in patterns or practices in violation of the Executive Order or these regulations, or of resistance to or interference with the full enjoyment of any of the rights secured by them, warranting judicial proceedings.

(f) *Initiation of lawsuits by the Attorney General without referral from the Director.* In addition to initiating lawsuits upon referral under 41 CFR 60-1.26, the Attorney General may, subject to approval by the Director, initiate independent investigations of

contractors which he/she has reason to believe may be in violation of the Order or the rules and regulations issued pursuant thereto. If, upon completion of such an investigation, the Attorney General determines that the contractor has in fact violated the Order or the rules and regulations issued thereunder, he shall make reasonable efforts to secure compliance with the contract provisions of the Order. He may do so by providing the contractor and any other respondent with reasonable notice of the Department's findings, its intent to file suit, and the actions that the Attorney General believes are necessary to obtain compliance with the contract provisions of the Order without contested litigation, and by offering the contractor and any other respondent a reasonable opportunity for conference and conciliation in an effort to obtain such compliance without contested litigation. If these efforts are unsuccessful, the Attorney General may, upon approval by the Director, bring a civil action in the appropriate district court of the United States requesting a temporary restraining order, preliminary or permanent injunction, and an order for such additional equitable relief, including back pay, deemed necessary or appropriate to ensure the full enjoyment of the rights secured by the Order or any of the above.

(g) To the extent applicable, this section and Part 60-30 of this chapter shall govern proceedings resulting from the Director's determination under § 60-2.2(b) that there are substantial issues of law or fact as to the contractor/bidder's responsibility.

§ 60-1.27 Sanctions and penalties.

The sanctions described in subsections (1), (5), and (6) of section 209(a) of the order may be exercised only by or with the approval of the Director. Referral of any matter arising under the order to the Department of Justice or to the Equal Employment Opportunity Commission shall be made by the Director.

§ 60-1.28 Show cause notices.

When the director has reasonable cause to believe that a contractor has violated the equal opportunity clause he may issue a notice requiring the contractor to show cause, within 30 days, why monitoring, enforcement proceedings or other appropriate action to ensure compliance should not be instituted.

§ 60-1.29 Preaward notices.

(a) *Preaward compliance reviews.* Upon the request of the Director, agencies shall not enter into contracts or approve the entry into contracts or subcontracts with any bidder, prospective prime contractor, or proposed sub-

contractor named by the Director until a preaward compliance review has been conducted and the Director or his designee has approved a determination that the bidder, prospective prime contractor or proposed subcontractor will be able to comply with the provisions of the equal opportunity clause.

(b) *Other special preaward procedures.* Upon the request of the Director, agencies shall not enter into contracts or approve the entry into subcontracts with any bidder, prospective prime contractor or proposed subcontractor specified by the Director until the agency has complied with the directions contained in the request.

§ 60-1.30 Contract ineligibility list.

The Director shall distribute periodically a list to all executive departments and agencies giving the names of prime contractors and subcontractors who have been declared ineligible under the regulations in this part and the order.

§ 60-1.31 Reinstatement of ineligible prime contractors and subcontractors.

Any prime contractor or subcontractor declared ineligible for further contracts or subcontracts under the order may request reinstatement in a letter directed to the Director. In connection with the reinstatement proceedings, the prime contractor or subcontractor shall be required to show that it has established and will carry out employment policies and practices in compliance with the equal opportunity clause.

§ 60-1.32 Intimidation and interference.

The sanctions and penalties contained in Subpart D of the order may be exercised by the Director against any prime contractor, subcontractor or applicant who fails to take all necessary steps to ensure that no person intimidates, threatens, coerces, or discriminates against any individual for the purpose of interfering with the filing of a complaint, furnishing information, or assisting or participating in any manner in an investigation, compliance review, hearing, or any other activity related to the administration of the order or any other Federal, State, or local laws requiring equal employment opportunity.

Subpart C—Ancillary Matters

§ 60-1.40 Affirmative action compliance programs.

(a) *Requirements of programs.* Each contractor who has 50 or more employees and (1) has a contract of \$50,000 or more; or (2) has Government bills of lading which in any 12-month period, total or can reasonably be expected to total \$50,000 or more;

or (3) serves as a depository of Government funds in any amount; or (4) is a financial institution which is an issuing and paying agent for U.S. savings bonds and savings notes in any amount, shall develop a written affirmative action compliance program for each of its establishments. Each contractor and subcontractor shall require each subcontractor who has 50 or more employees and (i) has a subcontract of \$50,000 or more; or (ii) has Government bills of lading which in any 12-month period, total or can reasonably be expected to total \$50,000 or more; or (iii) serves as a depository of Government funds in any amount; or (iv) is a financial institution which is an issuing and paying agent for U.S. savings bonds and savings notes in any amount, to develop a written affirmative action compliance program for each of its establishments. A necessary prerequisite to the development of a satisfactory affirmative action program is the identification and analysis of problem areas inherent in minority employment and an evaluation of opportunities for utilization of minority group personnel. The contractor's program shall provide in detail for specific steps to guarantee equal employment opportunity keyed to the problems and needs of members of minority groups, including, when there are deficiencies, the development of specific goals and time tables for the prompt achievement of full and equal employment opportunity. Each contractor shall include in its affirmative action compliance program a table of job classifications. This table should include but need not be limited to job titles, principal duties (and auxiliary duties, if any), rates of pay, and where more than one rate of pay applied (because of length of time in the job or other factors), the applicable rates. The affirmative action compliance program shall be signed by an executive official of the contractor.

(b) *Utilization evaluation.* The evaluation of utilization of minority group personnel shall include the following:

(1) An analysis of minority group representation in all job categories.

(2) An analysis of hiring practices for the past year, including recruitment sources and testing, to determine whether equal employment opportunity is being afforded in all job categories.

(3) An analysis of upgrading, transfer and promotion for the past year to determine whether equal employment opportunity is being afforded.

(c) *Maintenance of programs.* Within 120 days from the commencement of the contract, each contractor shall maintain a copy of separate affirmative action compliance programs for each establishment, including evaluations of utilization of minority

group personnel and the job classification tables, at each local office responsible for the personnel matters of such establishment. An affirmative action compliance program shall be part of the manpower and training plans for each new establishment and shall be developed and made available prior to the staffing of such establishment. A report of the results of such program shall be compiled annually and the program shall be updated at that time. This information shall be made available to representatives of the Director upon request and the contractor's affirmative action program and the result it produces shall be evaluated as part of compliance review activities.

§ 60-1.41 Solicitations or advertisements for employees.

In solicitations or advertisements for employees placed by or on behalf of a prime contractor or subcontractor, the requirements of paragraph (2) of the equal opportunity clause shall be satisfied whenever the prime contractor or subcontractor complies with any of the following:

(a) States expressly in the solicitations or advertising that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin;

(b) Uses display or other advertising, and the advertising includes an appropriate insignia prescribed by the Director. The use of the insignia is considered subject to the provisions of 18 U.S.C. 701;

(c) Uses a single advertisement, and the advertisement is grouped with other advertisements under a caption which clearly states that all employers in the group assure all qualified applicants equal consideration for employment without regard to race, color, religion, sex, or national origin;

(d) Uses a single advertisement in which appears in clearly distinguishable type the phrase "an equal opportunity employer."

§ 60-1.42 Notices to be posted.

(a) Unless alternative notices are prescribed by the Director, the notices which prime contractors and subcontractors are required to post by paragraphs (1) and (3) of the equal opportunity clause will contain the following language and will be provided by the contracting or administering agencies:

EQUAL EMPLOYMENT OPPORTUNITY IS THE LAW—DISCRIMINATION IS PROHIBITED BY THE CIVIL RIGHTS ACT OF 1964 AND BY EXECUTIVE ORDER NO. 11246

Title VII of the Civil Rights Act of 1964—Administered by:

THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Prohibits discrimination because of Race, Color, Religion, Sex, or National Origin by

Employers with 75 or more employees, by Labor Organizations with a hiring hall of 75 or more members, by Employment Agencies, and by Joint Labor-Management Committees for Apprenticeship or Training. After July 1, 1967, employers and labor organizations with 50 or more employees or members will be covered; after July 1, 1968, those with 25 or more will be covered.

ANY PERSON

Who believes he or she has been discriminated against

SHOULD CONTACT

THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

2401 E Street NW, Washington, D.C. 20008

Executive Order No. 11246—Administered by:

THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Prohibits discrimination because of Race, Color, Religion, Sex, or National Origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

By all Federal Government Contractors and Subcontractors, and by Contractors Performing Work Under a Federal Assisted Construction Contract, regardless of the number of employees in either case.

ANY PERSON

Who believes he or she has been discriminated against

SHOULD CONTACT

THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

U.S. Department of Labor Washington, D.C. 20210

(b) The requirements of paragraph (3) of the equal opportunity clause will be satisfied whenever the prime contractor or subcontractor posts copies of the notification prescribed by or pursuant to paragraph (a) of this section in conspicuous places available to employees, applicants for employment, and representatives of each labor union or other organization representing his employees with which he has a collective-bargaining agreement or other contract or understanding.

§ 60-1.43 Access to records and site of employment.

Each prime contractor and subcontractor shall permit access during normal business hours to its premises for the purpose of conducting on-site compliance reviews and inspecting and copying such books, records, accounts, and other material as may be relevant to the matter under investigation and pertinent to compliance with the Order, and the rules and regulations promulgated pursuant thereto by the agency, or the Director. Information

obtained in this manner shall be used only in connection with the administration of the Order, the administration of the Civil Rights Act of 1964 (as amended) and in furtherance of the purposes of the Order and that Act. (See 41 CFR Part 60-60, Contractor Evaluation Procedures for Nonconstruction Contractors; 41 CFR Part 60-40, Examination and Copying of OFCCP Documents.)

(Sec. 201, E.O. 11246, 30 FR 12319, and E.O. 11375, 32 FR 14303)

§ 60-1.44 Rulings and interpretations.

Rulings under or interpretations of the order or the regulations contained in this part shall be made by the Secretary or his designee.

§ 60-1.45 Existing contracts and subcontracts.

All contracts and subcontracts in effect prior to October 24, 1965, which are not subsequently modified shall be administered in accordance with the nondiscrimination provisions of any prior applicable Executive orders. Any contract or subcontract modified on or after October 24, 1965, shall be subject to Executive Order 11246. Complaints received by and violations coming to the attention of agencies regarding contracts and subcontracts which were subject to Executive Orders 10925 and 11114 shall be processed as if they were complaints regarding violations of this order.

§ 60-1.46 Delegation of authority by the Director.

The Director is authorized to redelegate the authority given to him by the regulations in this part. The authority redelegated by the Director pursuant to the regulations in this part shall be exercised under his general direction and control.

§ 60-1.47 Effective date.

The regulations contained in this part shall become effective July 1, 1968, for all contracts, the solicitations, invitations for bids, or requests for proposals which were sent by the Government or an applicant on or after said effective date, and for all negotiated contracts which have not been executed as of said effective date. Notwithstanding the foregoing, the regulations in this part shall become effective as to all contracts executed on and after the 120th day following said effective date. Subject to any prior approval of the Secretary, any agency may defer the effective date of the regulations in this part, for such period of time as the Secretary finds to be reasonably necessary. Contracts executed prior to the effective date of the regulations in this part shall be governed by the regulations promulgated by the former President's Com-

mittee on Equal Employment Opportunity which appear at 28 FR 9612, September 2, 1963, and at 38 FR 11305, October 23, 1963, the temporary regulations which appear at 30 FR 13441, October 22, 1965, and the orders at 31 FR 6881, May 10, 1966, and 32 FR 7439, May 19, 1967.

PART 60-2—AFFIRMATIVE ACTION PROGRAMS

Subpart A—General

Sec.

- 60-2.1 Title, purpose and scope.
- 60-2.2 Agency action.

Subpart B—Required Contents of Affirmative Action Programs

- 60-2.10 Purpose of affirmative action program.
- 60-2.11 Required utilization analysis.
- 60-2.12 Establishment of goals and timetables.
- 60-2.13 Additional required ingredients of affirmative action programs.
- 60-2.14 Compliance status.

Subpart C—Methods of Implementing the Requirements of Subpart B

- 60-2.20 Development or reaffirmation of the equal employment opportunity policy.
- 60-2.21 Dissemination of the policy.
- 60-2.22 Responsibility for implementation.
- 60-2.23 Identification of problem areas by organizational units and job groups.
- 60-2.24 Development and execution of programs.
- 60-2.25 Internal audit and reporting systems.
- 60-2.26 Support of action programs.

Subpart D—Miscellaneous

- 60-2.30 Use of goals.
- 60-2.31 Preemption.
- 60-2.32 Superseding.

AUTHORITY: 5 U.S.C. 553(a)(3)(B); 29 CFR 27, section 201, E.O. 11246, 30 FR 12319, and E.O. 11375, 32 FR 14303, as amended by E.O. 12086.

Subpart A—General

§ 60-2.1 Title, purpose and scope.

(a) This part shall also be known as "Revised Order No. 4," and shall cover nonconstruction contractors. Section 60-1.40 of this chapter, affirmative action compliance programs, requires that within 120 days from the commencement of a contract each prime contractor or subcontractor with 50 or more employees and (1) a contract of \$50,000 or more; or (2) Government bills of lading which, in any 12-month period, total or can reasonably be expected to total \$50,000 or more; or (3) who serves as a depository of Government funds in any amount; or (4) who is a financial institution which is an issuing and paying agent for U.S. savings bonds and savings notes in any amount, develop a written affirmative

action compliance program for each of its establishments. A review of compliance surveys indicates that many contractors do not have affirmative action programs on file at the time an establishment is visited by a compliance investigator. This part details the review procedure and the results of a contractor's failure to develop and maintain an affirmative action program and then sets forth detailed guidelines to be used by contractors and the Government in developing and judging these programs as well as the good faith effort required to transform the programs from paper commitments to equal employment opportunity. Subparts B and C of this part are concerned with affirmative action plans only.

(b) Relief, including back pay where appropriate, for members of an affected class who by virtue of past discrimination continue to suffer the present effects of that discrimination, shall be provided in the conciliation agreement entered into pursuant to § 60-60.6 of this title. An "affected class" problem must be remedied in order for a contractor to be considered in compliance. Section 60-2.2 herein pertaining to an acceptable affirmative action program is also applicable to the failure to remedy discrimination against members of an "affected class."

§ 60-2.2 Agency action.

(a) Any contractor required by § 60-1.40 of this chapter to develop an affirmative action program at each of its establishments who has not complied fully with that section is not in compliance with Executive Order 11246, as amended (30 FR 12319). Until such programs are developed and found to be acceptable in accordance with the standards and guidelines set forth in §§ 60-2.10 through 60-2.32, the contractor is unable to comply with the equal employment opportunity clause. An affirmative action plan shall be deemed to have been accepted by the Government at the time the appropriate OFCCP field, area, regional, or national office has accepted such plan unless within 45 days thereafter the Director has disapproved such plan.

(b) If, in determining such contractor's responsibility for an award of a contract it comes to the contracting officer's attention, through sources within his agency or through the Office of Federal Contract Compliance Programs or other Government agencies, that the contractor has no affirmative action program at each of its establishments, or has substantially deviated from such an approved affirmative action program, or has failed to develop or implement an affirmative action program which complies with the regulations in this chapter, the

contracting officer shall declare the contractor/bidder nonresponsible and so notify the contractor and the Director, unless he can otherwise affirmatively determine that the contractor is able to comply with his equal employment obligations. Any contractor/bidder which has been declared nonresponsible in accordance with the provisions of this section may request the Director to determine that the responsibility of the contractor/bidder raises substantial issues of law or fact to the extent that a hearing is required. Such request shall set forth the basis upon which the contractor/bidder seeks such a determination. If the Director, in his/her sole discretion, determines that substantial issues of law or fact exist, an administrative or judicial proceeding may be commenced in accordance with the regulations contained in § 60-1.26; or the Director may require the investigation or compliance review be developed further or additional conciliation be conducted: *Provided*, That during any pre-award conferences, every effort shall be made through the processes of conciliation, mediation, and persuasion to develop an acceptable affirmative action program meeting the standards and guidelines set forth in §§ 60-2.10 through 60-2.32 so that, in the performance of his contract, the contractor is able to meet its equal employment obligations in accordance with the equal opportunity clause and applicable rules, regulations, and orders: *Provided further*, That a contractor/bidder may not be declared nonresponsible more than twice due to past non-compliance with the equal opportunity clause at a particular establishment or facility without receiving prior notice and an opportunity for a hearing.

(c)(1) Immediately upon finding that a contractor has no affirmative action program, or has deviated substantially from an approved affirmative action program, or has failed to develop or implement an affirmative action program which complies with the requirements of the regulations in this chapter, that fact shall be recorded in the investigation file. Whenever administrative enforcement is contemplated, the notice to the contractor shall be issued giving him 30 days to show cause why enforcement proceedings under section 209(a) of Executive Order 11246, as amended, should not be instituted. The notice to show cause should contain:

(i) An itemization of the sections of the Executive Order and of the regulations with which the contractor has been found in apparent violation, and a summary of the conditions, practices, facts, or circumstances which give rise to each apparent violation;

(ii) The corrective actions necessary to achieve compliance or, as may be appropriate the concepts and principles

of an acceptable remedy and/or the corrective action results anticipated;

(iii) A request for a written response to the findings, including commitments to corrective action or the presentation of opposing facts and evidence; and

(iv) A suggested date for the conciliation conference.

(2) If the contractor fails to show good cause for his failure or fails to remedy that failure by developing and implementing an acceptable affirmative action program within 30 days, the case file shall be processed for enforcement proceedings pursuant to § 60-1.26 of this chapter. If an administrative complaint is filed, the contractor shall have 20 days to request a hearing. If a request for hearing has not been received within 20 days from the filing of the administrative complaint, the matter shall proceed in accordance with Part 60-30 of this chapter.

(3) During the "show cause" period of 30 days, every effort will be made through conciliation, mediation, and persuasion to resolve the deficiencies which led to the determination of non-responsibility. If satisfactory adjustments designed to bring the contractor into compliance are not concluded, the case shall be processed for enforcement proceedings pursuant to § 60-1.26 of this chapter.

(d) During the "show cause" period and formal proceedings, each contracting agency must continue to determine the contractor's responsibility in considering whether or not to award a new or additional contract.

Subpart B—Required Contents of Affirmative Action Programs

§ 60-2.10 Purpose of affirmative action program.

An affirmative action program is a set of specific and result-oriented procedures to which a contractor commits itself to apply every good faith effort. The objective of those procedures plus such efforts is equal employment opportunity. Procedures without effort to make them work are meaningless; and effort, undirected by specific and meaningful procedures, is inadequate. An acceptable affirmative action program must include an analysis of areas within which the contractor is deficient in the utilization of minority groups and women, and further, goals and timetables to which the contractor's good faith efforts must be directed to correct the deficiencies and, thus to achieve prompt and full utilization of minorities and women, at all levels and in all segments of its work force where deficiencies exist.

§ 60-2.11 Required utilization analysis.

Based upon the Government's experience with compliance reviews under the Executive Order program and the

contractor reporting system, minority groups are most likely to be underutilized in departments and jobs within departments that fall within the following Employer's Information Report (EEO-1) designations: Officials and managers, professionals, technicians, sales workers, office and clerical and craftsmen (skilled). As categorized by the EEO-1 designations, women are likely to be underutilized in departments and jobs within departments as follows: Officials and managers, professionals, technicians, sales workers (except over-the-counter sales in certain retail establishments), craftsmen (skilled and semi-skilled). Therefore, the contractor shall direct special attention to such jobs in its analysis and goal setting for minorities and women. Affirmative action programs must contain the following information:

(a) Workforce analysis which is defined as a listing of each job title as appears in applicable collective bargaining agreements or payroll records (not job group) ranked from the lowest paid to the highest paid within each department or other similar organizational unit including departmental or unit supervision. If there are separate work units or lines of progression within a department a separate list must be provided for each such work unit, or line, including unit supervisors. For lines of progression there must be indicated the order of jobs in the line through which an employee could move to the top of the line. Where there are no formal progression lines or usual promotional sequences, job titles should be listed by department, job families, or disciplines, in order of wage rates or salary ranges. For each job title, the total number of incumbents, the total number of male and female incumbents, and the total number of male and female incumbents in each of the following groups must be given: Blacks, Spanish-surnamed Americans, American Indians, and Orientals. The wage rate or salary range for each job title must be given. All job titles, including all managerial job titles, must be listed.

(b) An analysis of all major job groups at the facility, with explanation if minorities or women are currently being underutilized in any one or more job groups ("job groups" herein meaning one or a group of jobs having similar content, wage rates and opportunities). "Underutilization" is defined as having fewer minorities or women in a particular job group than would reasonably be expected by their availability. In making the utilization analysis, the contractor shall conduct such analysis separately for minorities and women.

(1) In determining whether minorities are being underutilized in any job group, the contractor will consider at least all of the following factors:

(i) The minority population of the labor area surrounding the facility;

(ii) The size of the minority unemployment force in the labor area surrounding the facility;

(iii) The percentage of the minority work force as compared with the total work force in the immediate labor area;

(iv) The general availability of minorities having requisite skills in the immediate labor area;

(v) The availability of minorities having requisite skills in an area in which the contractor can reasonably recruit;

(vi) The availability of promotable and transferable minorities within the contractor's organization;

(vii) The existence of training institutions capable of training persons in the requisite skills; and

(viii) The degree of training which the contractor is reasonably able to undertake as a means of making all job classes available to minorities.

(2) In determining whether women are being underutilized in any job group, the contractor will consider at least all of the following factors:

(i) The size of the female unemployment force in the labor area surrounding the facility;

(ii) The percentage of the female workforce as compared with the total workforce in the immediate labor area;

(iii) The general availability of women having requisite skills in the immediate labor area;

(iv) The availability of women having requisite skills in an area in which the contractor can reasonably recruit;

(v) The availability of women seeking employment in the labor or recruitment area of the contractor;

(vi) The availability of promotable and transferable female employees within the contractor's organization;

(vii) The existence of training institutions capable of training persons in the requisite skills; and

(viii) The degree of training which the contractor is reasonably able to undertake as a means of making all job classes available to women.

§ 60-2.12 Establishment of goals and timetables.

(a) The goals and timetables developed by the contractor should be attainable in terms of the contractor's analysis of its deficiencies and its entire affirmative action program. Thus, in establishing the size of its goals and the length of its timetables, the contractor should consider the results which could reasonably be expected from its putting forth every good faith effort to make its overall affirmative action program work. In determining levels of goals, the con-

tractor should consider at least the factors listed in § 60-2.11.

(b) Involve personnel relation, staff, department and division heads, and local and unit managers in the goal-setting process.

(c) Goals should be significant, measurable, and attainable.

(d) Goals should be specific for planned results, with timetables for completion.

(e) Goals may not be rigid and inflexible quotas which must be met, but must be targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire affirmative action program work.

(f) In establishing timetables to meet goals and commitments, the contractor will consider the anticipated expansion, contraction, and turnover of and in the work force.

(g) Goals, timetables, and affirmative action commitments must be designed to correct any identifiable deficiencies.

(h) Where deficiencies exist and where numbers or percentages are relevant in developing corrective action, the contractor shall establish and set forth specific goals and timetables separately for minorities and women.

(i) Such goals and timetables, with supporting data and the analysis thereof shall be a part of the contractor's written affirmative action program and shall be maintained at each establishment of the contractor.

(j) A contractor or subcontractor extending a publicly announced preference for Indians as authorized in 41 CFR 60-1.5(a)(6) may reflect in its goals and timetables the permissive employment preference for Indians living on or near an Indian reservation.

(k) Where the contractor has not established a goal, its written affirmative action program must specifically analyze each of the factors listed in § 60-2.11 and must detail its reason for a lack of a goal.

(l) In the event it comes to the attention of the Office of Federal Contract Compliance Programs that there is a substantial disparity in the utilization of a particular minority group or men or women of a particular minority group, OFCCP may require separate goals and timetables for such minority group and may further require, where appropriate, such goals and timetables by sex for such group for such job classifications and organizational units specified by the OFCCP.

(m) Support data for the required analysis and program shall be compiled and maintained as part of the contractor's affirmative action program. This data will include but not be limited to progression line charts, seniority rosters, applicant flow data,

and applicant rejection ratios indicating minority and sex status.

(n) Copies of affirmative action programs and/or copies of support data shall be made available to the Office of Federal Contract Compliance Programs, upon request, for such purposes as may be appropriate to the fulfillment of its responsibilities under Executive Order 11246, as amended.

§ 60-2.13 Additional required ingredients of affirmative action programs.

Effective affirmative action programs shall contain, but not necessarily be limited to, the following ingredients:

(a) Development or reaffirmation of the contractor's equal employment opportunity policy in all personnel actions.

(b) Formal internal and external dissemination of the contractor's policy.

(c) Establishment of responsibilities for implementation of the contractor's affirmative action program.

(d) Identification of problem areas (deficiencies) by organizational units and job group.

(e) Establishment of goals and objectives by organizational units and job groups, including timetables for completion.

(f) Development and execution of action-oriented programs designed to eliminate problems and further designed to attain established goals and objectives.

(g) Design and implementation of internal audit and reporting systems to measure effectiveness of the total program.

(h) Compliance of personnel policies and practices with the Sex Discrimination Guidelines (41 CFR Part 60-20).

(i) Active support of local and national community action programs and community service programs, designed to improve the employment opportunities of minorities and women.

(j) Consideration of minorities and women not currently in the work force having requisite skills who can be recruited through affirmative action measures.

§ 60-2.14 Compliance status.

No contractor's compliance status shall be judged alone by whether or not it reaches its goals and meets its timetables. Rather, each contractor's compliance posture shall be reviewed and determined by reviewing the contents of its program, the extent of its adherence to this program, and its good faith efforts to make its program work toward the realization of the program's goals within the timetables set for completion. There follows an outline of examples of procedures that contractors and Federal agencies should use as a guideline for establish-

ing, implementing, and judging an acceptable affirmative action program.

Subpart C—Methods of Implementing the Requirements of Subpart B

§ 60-2.20 Development or reaffirmation of the equal employment opportunity policy.

(a) The contractor's policy statement should indicate the chief executive officer's attitude on the subject matter, assign overall responsibility and provide for a reporting and monitoring procedure. Specific items to be mentioned should include, but not be limited to:

(1) Recruit, hire, train, and promote persons in all job titles, without regard to race, color, religion, sex, or national origin, except where sex is a bona fide occupational qualification. (The term "bona fide occupational qualification" has been construed very narrowly under the Civil Rights Act of 1964. Under Executive Order 11246 as amended and this part, this term will be construed in the same manner.)

(2) Base decisions on employment so as to further the principle of equal employment opportunity.

(3) Insure that promotion decisions are in accord with principles of equal employment opportunity by imposing only valid requirements for promotional opportunities.

(4) Insure that all personnel actions such as compensation, benefits, transfers, layoffs, return from layoff, company sponsored training, education, tuition assistance, social and recreation programs, will be administered without regard to race, color, religion, sex, or national origin.

§ 60-2.21 Dissemination of the policy.

(a) The contractor should disseminate his policy internally as follows:

(1) Include it in contractor's policy manual.

(2) Publicize it in company newspaper, magazine, annual report, and other media.

(3) Conduct special meetings with executive, management, and supervisory personnel to explain intent of policy and individual responsibility for effective implementation, making clear the chief executive officer's attitude.

(4) Schedule special meetings with all other employees to discuss policy and explain individual employee responsibilities.

(5) Discuss the policy thoroughly in both employee orientation and management training programs.

(6) Meet with union officials to inform them of policy, and request their cooperation.

(7) Include nondiscrimination clauses in all union agreements, and

review all contracts to insure they are non-discriminatory.

(8) Publish articles covering EEO programs, progress reports, promotions, etc., of minority and female employees, in company publications.

(9) Post the policy on company bulletin boards.

(10) When employees are featured in product or consumer advertising, employee handbooks or similar publications both minority and nonminority, men and women should be pictured.

(11) Communicate to employees the existence of the contractor's affirmative action program and make available such elements of its program as will enable such employees to know of and avail themselves of its benefits.

(b) The contractor should disseminate its policy externally as follows:

(1) Inform all recruiting sources verbally and in writing of company policy, stipulating that these sources actively recruit and refer minorities and women for all positions listed.

(2) Incorporate the equal opportunity clause in all purchase orders, leases, contracts, etc., covered by Executive Order 11246, as amended, and its implementing regulations.

(3) Notify minority and women's organizations, community agencies, community leaders, secondary schools, and colleges, of company policy, preferably in writing.

(4) Communicate to prospective employees the existence of the contractor's affirmative action program and make available such elements of its program as will enable such prospective employees to know of and avail themselves of its benefits.

(5) When employees are pictured in consumer or help wanted advertising, both minorities and nonminority men and women should be shown.

(6) Send written notification of company policy to all subcontractors, vendors, and suppliers requesting appropriate action on their part.

§ 60-2.22 Responsibility for implementation.

(a) An executive of the contractor should be appointed as director or manager of company equal opportunity programs. Depending upon the size and geographical alignment of the company, this may be his or her sole responsibility. He or she should be given the necessary top management support and staffing to execute the assignment. His or her identity should appear on all internal and external communications on the company's equal opportunity programs. His or her responsibilities should include, but not necessarily be limited to:

(1) Developing policy statements, affirmative action programs, internal and external communication techniques.

(2) Assisting in the identification of problem areas.

(3) Assisting line management in arriving at solutions to problems.

(4) Designing and implementing audit and reporting systems that will:

(i) Measure effectiveness of the contractor's programs.

(ii) Indicate need for remedial action.

(iii) Determine the degree to which the contractor's goals and objectives have been attained.

(5) Serve as liaison between the contractor and enforcement agencies.

(6) Serve as liaison between the contractor and minority organizations, women's organizations and community action groups concerned with employment opportunities of minorities and women.

(7) Keep management informed of latest developments in the entire equal opportunity area.

(b) Line responsibilities should include, but not be limited to the following:

(1) Assistance in the identification of problem areas and establishment of local and unit goals and objectives.

(2) Active involvement with local minority organizations, women's organizations, community action groups and community service programs.

(3) Periodic audit of training programs, hiring and promotion patterns to remove impediments to the attainment of goals and objectives.

(4) Regular discussions with local managers, supervisors, and employees to be certain the contractor's policies are being followed.

(5) Review of the qualifications of all employees to insure that minorities and women are given full opportunities for transfers and promotions.

(6) Career counseling for all employees.

(7) Periodic audit to insure that each location is in compliance in areas such as:

(i) Posters are properly displayed.

(ii) All facilities, including company housing, which the contractor maintains for the use and benefit of its employees, are in fact desegregated, both in policy and use. If the contractor provides facilities such as dormitories, locker rooms and rest rooms, they must be comparable for both sexes.

(iii) Minority and female employees are afforded a full opportunity and are encouraged to participate in all company sponsored educational, training, recreational, and social activities.

(8) Supervisors should be made to understand that their work performance is being evaluated on the basis of their equal employment opportunity efforts and results, as well as other criteria.

(9) It shall be a responsibility of supervisors to take actions to prevent

harassment of employees placed through affirmative action efforts.

§ 60-2.22 Identification of problem areas by organizational units and job groups.

(a) An in-depth analysis of the following should be made, paying particular attention to trainees and those categories listed in § 60-2.11(b).

(1) Composition of the work force by minority group status and sex.

(2) Composition of applicant flow by minority group status and sex.

(3) The total selection process including position descriptions, position titles, worker specifications, application forms, interview procedures, test administration, test validity, referral procedures, final selection process, and similar factors.

(4) Transfer and promotion practices.

(5) Facilities, company sponsored recreation and social events, and special programs such as educational assistance.

(6) Seniority practices and seniority provisions of union contracts.

(7) Apprenticeship programs.

(8) All company training programs, formal and informal.

(9) Work force attitude.

(10) Technical phases of compliance, such as poster and notification to labor unions, retention of applications, notification to subcontractors, etc.

(b) If any of the following items are found in the analysis, special corrective action should be appropriate.

(1) An "underutilization" of minorities or women in specific job groups.

(2) Lateral and/or vertical movement of minority or female employees occurring at a lesser rate (compared to work force mix) than that of nonminority or male employees.

(3) The selection process eliminates a significantly higher percentage of minorities or women than nonminorities or men.

(4) Application and related preemployment forms not in compliance with Federal legislation.

(5) Position descriptions inaccurate in relation to actual functions and duties.

(6) Formal or scored selection procedures not validated as required by the OFCCP Uniform Guidelines on Employee Selection Procedures.

(7) Test forms not validated by location, work performance and inclusion of minorities and women in sample.

(8) Referral ratio of minorities or women to the hiring supervisor or manager indicates a significantly higher percentage are being rejected as compared to nonminority and male applicants.

(9) Minorities or women are excluded from or are not participating in company sponsored activities or programs.

(10) De facto segregation still exists at some facilities.

(11) Seniority provisions contribute to overt or inadvertent discrimination, i.e., a disparity by minority group status or sex exists between length of service and types of job held.

(12) Nonsupport of company policy by managers, supervisors or employees.

(13) Minorities or women underutilized or significantly underrepresented in training or career improvement programs.

(14) No formal techniques established for evaluating effectiveness of EEO programs.

(15) Lack of access to suitable housing inhibits recruitment efforts and employment of qualified minorities.

(16) Lack of suitable transportation (public or private) to the work place inhibits minority employment.

(17) Labor unions and subcontractors not notified of their responsibilities.

(18) Purchase orders do not contain EEO clause.

(19) Posters not on display.

§ 60-2.24 Development and execution of programs.

(a) The contractor should conduct detailed analyses of position descriptions to insure that they accurately reflect position functions, and are consistent for the same position from one location to another.

(b) The contractor should validate worker specifications by division, department, location or other organizational unit and by job title using job performance criteria. Special attention should be given to academic, experience and skill requirements to insure that the requirements in themselves do not constitute inadvertent discrimination. Specifications should be consistent for the same job title in all locations and should be free from bias as regards to race, color, religion, sex or national origin, except where sex is a bona fide occupational qualification. Where requirements screen out a disproportionate number of minorities or women, such requirements should be professionally validated to job performance.

(c) Approved position descriptions and worker specifications, when used by the contractor, should be made available to all members of management involved in the recruiting, screening, selection, and promotion process. Copies should also be distributed to all recruiting sources.

(d) The contractor should evaluate the total selection process to insure freedom from bias and, thus, aid the attainment of goals and objectives.

(1) All personnel involved in the recruiting, screening, selection, promotion, disciplinary, and related processes

should be carefully selected and trained to insure elimination of bias in all personnel actions.

(2) The contractor shall observe the requirements of the OFCCP Uniform Guidelines on Employee Selection Procedures.

(3) Selection techniques other than tests may also be improperly used so as to have the effect of discriminating against minority groups and women. Such techniques include but are not restricted to, unscored interviews, unscored or casual application forms, arrest records, credit checks, considerations of marital status or dependency or minor children. Where there exist data suggesting that such unfair discrimination or exclusion of minorities or women exists, the contractor should analyze his unscored procedures and eliminate them if they are not objectively valid.

(e) Suggested techniques to improve recruitment and increase the flow of minority or female applicants follow:

(1) Certain organizations such as the Urban League, Job Corps, Equal Opportunity Programs, Inc., Concentrated Employment programs, Neighborhood Youth Corps, Secondary Schools, Colleges, and City Colleges with high minority enrollment, the State Employment Service, specialized employment agencies, Aspira, LULAC, SER, the G.I. Forum, the Commonwealth of Puerto Rico are normally prepared to refer minority applicants. Organizations prepared to refer women with specific skills are: National Organization for Women, Welfare Rights organizations, Women's Equity Action League, Talent Bank from Business and Professional Women (including 26 women's organizations), Professional Women's Caucus, Intercollegiate Association of University Women, Negro Women's sororities and service groups such as Delta Sigma Theta, Alpha Kappa Alpha, and Zeta Phi Beta; National Council of Negro Women, American Association of University Women, YWCA, and sectarian groups such as Jewish Women's Groups, Catholic Women's Groups and Protestant Women's Groups, and women's colleges. In addition, community leaders as individuals shall be added to recruiting sources.

(2) Formal briefing sessions should be held, preferably on company premises, with representatives from these recruiting sources. Plant tours, presentations by minority and female employees, clear and concise explanations of current and future job openings, position descriptions, worker specifications, explanations of the company's selection process, and recruiting literature should be an integral part of the briefings. Formal arrangements should be made for referral of appli-

cases follow-up with awards, and back on disposition of applicants.

(3) Minority and female employees, using procedures similar to subparagraph (2) of this paragraph, should be actively encouraged to refer applicants.

(4) A special effort should be made to include minorities and women on the Personnel Relations staff.

(5) Minority and female employees should be made available for participation in Career Days, Youth Motivation Programs, and related activities in their communities.

(6) Active participation in "Job Fairs" is desirable. Company representative so participating should be given authority to make on-the-spot commitments.

(7) Active recruiting programs should be carried out at secondary schools, junior colleges, and colleges with predominant minority or female enrollments.

(8) Recruiting efforts at all schools should incorporate special efforts to reach minorities and women.

(9) Special employment programs should be undertaken whenever possible. Some possible programs are:

(i) Technical and nontechnical co-op programs with predominately Negro and women's colleges.

(ii) "After school" and/or work-study jobs for minority youths, male and female.

(iii) Summer jobs for underprivileged youth, male and female.

(iv) Summer work-study programs for male and female faculty members of the predominantly minority schools and colleges.

(v) Motivation, training and employment programs for the hardcore unemployed, male and female.

(10) When recruiting brochures pictorially present work situations, the minority and female members of the work force should be included, especially when such brochures are used in school and career programs.

(11) Help wanted advertising should be expanded to include the minority news media and women's interest media on a regular basis.

(12) The contractor should insure that minority and female employees are given equal opportunity for promotion. Suggestions for achieving this result include:

(1) Post or otherwise announce promotional opportunities.

(2) Make an inventory of current minority and female employees to determine academic, skill and experience level of individual employees.

(3) Initiate necessary remedial, job training and workstudy programs.

(4) Develop and implement formal employee evaluation programs.

(5) Make certain "worker specifications" have been validated on job per-

formance related criteria. (Neither minority nor female employees should be required to possess higher qualifications than those of the lowest qualified incumbent.)

(6) When apparently qualified minority or female employees are passed over for upgrading, require supervisory personnel to submit written justification.

(7) Establish formal career counseling programs to include attitude development, education aid, job rotation, buddy system and similar programs.

(8) Review seniority practices and seniority clauses in union contracts to insure such practices or clauses are nondiscriminatory and do not have a discriminatory effect.

(9) Make certain facilities and company-sponsored social and recreation activities are desegregated. Actively encourage all employees to participate.

(10) Encourage child care, housing and transportation programs appropriately designed to improve the employment opportunities for minorities and women.

§ 60-2.25 Internal audit and reporting systems.

(a) The contractor should monitor records of referrals, placements, transfers, promotions and terminations at all levels to insure nondiscriminatory policy is carried out.

(b) The contractor should require formal reports from unit managers on a schedule basis as to degree to which corporate or unit goals are attained and timetables met.

(c) The contractor should review report results with all levels of management.

(d) The contractor should advise top management of program effectiveness and submit recommendations to improve unsatisfactory performance.

§ 60-2.26 Support of action programs.

(a) The contractor should appoint key members of management to serve on merit employment councils, community relations boards and similar organizations.

(b) The contractor should encourage minority and female employees to participate actively in National Alliance of Businessmen programs for youth motivation.

(c) The contractor should support vocational guidance institutes, vestibule training programs and similar activities.

(d) The contractor should assist secondary schools and colleges in programs designed to enable minority and female graduates of these institutions to compete in the open employment market on a more equitable basis.

(e) The contractor should publicize achievements of minority and female

employees in local and national news media.

(f) The contractor should support programs developed by such organizations as National Alliance of Businessmen, the Urban Coalition and other organizations concerned with employment opportunities for minorities or women.

Subpart D—Miscellaneous

§ 60-2.30 Use of goals.

The purpose of a contractor's establishment and use of goals is to insure that it meet its affirmative action obligation. It is not intended and should not be used to discriminate against any applicant or employee because of race, color, religion, sex, or national origin.

§ 60-2.31 Preemption.

To the extent that any State or local laws, regulations or ordinances, including those which grant special benefits to persons on account of sex, are in conflict with Executive Order 11246, as amended, or with the requirements of this part, we will regard them as preempted under the Executive order.

§ 60-2.32 Supersession.

All orders, instructions, regulations, and memoranda of the Secretary of Labor, other officials of the Department of Labor and contracting agencies are hereby superseded to the extent that they are inconsistent herewith, including a previous "Order No. 4" from this office dated January 30, 1970. Nothing in this part is intended to amend 41 CFR Part 60-3 or 41 CFR 60-20.

PART 60-4—CONSTRUCTION CONTRACTORS—AFFIRMATIVE ACTION REQUIREMENTS

Sec.

- 60-4.1 Scope and application.
- 60-4.2 Solicitations.
- 60-4.3 Equal opportunity clauses.
- 60-4.4 Affirmative action requirements.
- 60-4.5 Hometown plans.
- 60-4.6 Goals and timetables.
- 60-4.7 Effect on other regulations.
- 60-4.8 Show cause notice.
- 60-4.9 Incorporation by operation of the Order.

AUTHORITY: Secs. 201, 202, 205, 211, 301, 302, and 303 of E.O. 11246, as amended, 30 FR 12319; 32 FR 14303, as amended by E.O. 12086.

§ 60-4.1 Scope and application.

This part applies to all contractors and subcontractors which hold any Federal or federally assisted construction contract in excess of \$10,000. The regulations in this part are applicable to all of a construction contractor's or subcontractor's construction employees who are engaged in on site con-

struction including those construction employees who work on a non-Federal or nonfederally assisted construction site. This part also establishes procedures which all Federal contracting officers and all applicants, as applicable, shall follow in soliciting for and awarding Federal or federally assisted construction contracts. Procedures also are established which administering agencies shall follow in making any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of Executive Order 11246, as amended.

In addition, this part applies to construction work performed by construction contractors and subcontractors for Federal nonconstruction contractors and subcontractors if the construction work is necessary in whole or in part to the performance of a nonconstruction contract or subcontract.

§ 60-1.2 Solicitations.

(a) All Federal contracting officers and all applicants shall include the notice set forth in paragraph (d) of this section and the Standard Federal Equal Employment Opportunity Construction Contract Specifications set forth in § 60-4.3 of this part in all solicitations for offers and bids on all Federal and federally assisted construction contracts or subcontracts to be performed in geographical areas designated by the Director pursuant to § 60-4.6 of the part. Administering agencies shall require the inclusion of the notice set forth in paragraph (d) of this section and the specifications set forth in § 60-4.3 of this part as a condition of any grant, contract, subcontract, loan, insurance or guarantee involving federally assisted construction covered by this part 60-4.

(b) All nonconstruction contractors covered by Executive Order 11246 and the implementing regulations shall include the notice in paragraph (d) of this section in all construction agreements which are necessary in whole or in part to the performance of the covered nonconstruction contract.

(c) Contracting officers, applicants and nonconstruction contractors shall give written notice to the Director within 10 working days of award of a contract subject to these provisions. The notification shall include the name, address and telephone number of the contractor; employer identification number; dollar amount of the contract; estimated starting and completion dates of the contract; the contract number; and geographical area in which the contract is to be performed.

(d) The following notice shall be included in, and shall be a part of, all solicitations for offers and bids on all Federal and federally assisted construction

contracts or subcontracts in excess of \$10,000 to be performed in geographical areas designated by the Director pursuant to § 60-4.6 of this part (see 41 CFR 60-4.2(a)):

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables	Goals for minority participation for each trade	Goals for female participation in each trade
	Insert goals for each year.	Insert goals for each year.

These goals are applicable to all the Contractor's construction work (whether or not it is Federal or federally assisted) performed in the covered area.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.

4. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is (insert description of the geographical areas where the contract is to be performed giving the state, county and city, if any).

§ 60-4.3 Equal opportunity clauses.

(a) The equal opportunity clause published at 41 CFR 60-1.4(a) of this

chapter is required to be included in, and is part of, all nonexempt Federal contracts and subcontracts, including construction contracts and subcontracts. The equal opportunity clause published at 41 CFR 60-1.4(b) is required to be included in, and is a part of, all nonexempt federally assisted construction contracts and subcontracts. In addition to the clauses described above, all Federal contracting officers, all applicants and all nonconstruction contractors, as applicable, shall include the specifications set forth in this section in all Federal and federally assisted construction contracts in excess of \$10,000 to be performed in geographical areas designated by the Director pursuant to § 60-4.6 of this part and in construction subcontracts in excess of \$10,000 necessary in whole or in part to the performance of nonconstruction Federal contracts and subcontracts covered under the Executive Order.

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.

d. "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those

trades which have union participation in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Home-town Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current list of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual; if such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources specified under 7b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or

other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through p of these Specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the

Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(b) The notice set forth in 41 CFR 60-4.2 and the specifications set forth in 41 CFR 60-4.3 replace the New Form for Federal Equal Employment Opportunity Bid Conditions for Federal and Federally Assisted Construction published at 41 FR 32482 and commonly known as the Model Federal EEO Bid Conditions, and the New Form shall not be used after the regulations in 41 CFR Part 60-4 become effective.

§ 60-4.4 Affirmative action requirements.

(a) To implement the affirmative action requirements of Executive Order 11246 in the construction industry, the Office of Federal Contract Compliance Programs previously has approved affirmative action programs commonly referred to as "Hometown Plans," has promulgated affirmative action plans referred to as "Imposed Plans" and has approved "Special Bid Conditions" for high impact projects constructed in areas not covered by a Hometown or an Imposed Plan. All solicitations for construction contracts made after the effective date of the regulations in this part shall include the notice specified in § 60-4.2 of this part and the specifications in § 60-4.3 of this part in lieu of the Hometown and Imposed Plans including the Philadelphia Plan and Special Bid Conditions. Until the Director has issued an order pursuant to § 60-4.6 of this part establishing goals and timetables for minorities in the appropriate geographical areas or for a project covered by Special Bid Conditions, the goals and timetables for minorities to be inserted in the Notice required by 41 CFR 60-4.2 shall be the goals and timetables contained in the Hometown Plan, Imposed Plan or Special Bid Conditions presently covering the respective geographical area or project involved.

(b) Signatories to a Hometown Plan (including heavy highway affirmative action plans) shall have 45 days from the effective date of the regulations in this part to submit under such a Plan (for the director's approval) goals and timetables for women and to include female representation on the Hometown Plan Administrative Committee. Such goals for female representation shall be at least as high as the goals established for female representation in the notice issued pursuant to 41 CFR 60-4.6. Failure of the signatories, within the 45-day period, to include female representation and to submit goals for women or a new plan, as appropriate, shall result in an automatic termination of the Office of Federal Contract Compliance Program's approval of the Hometown Plan. At any time the Office of Federal Contract Compliance Programs terminates or withdraws its approval of a Hometown Plan, or when the plan expires and another plan is not approved, the contractors signatory to the plan shall be covered automatically by the specifications set forth in § 60-4.3 of this part and by the goals and timetables established for that geographical area pursuant to § 60-4.6 of this part.

§ 60-4.5 Hometown plans.

(a) A contractor participating, either individually or through an association, in an approved Hometown Plan (in-

cluding heavy highway affirmative action plans) shall comply with its affirmative action obligations under Executive Order 11246 by complying with its obligations under the plan: Provided, That each contractor or subcontractor participating in an approved plan is individually required to comply with the equal opportunity clause set forth in 41 CFR 60-1.4; to make a good faith effort to achieve the goals for each trade participating in the plan in which it has employees; and that the overall good performance by other contractors or subcontractors toward a goal in an approved plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the plan's goals and timetables. If a contractor is not participating in an approved Hometown Plan it shall comply with the specifications set forth in § 60-4.3 of this part and with the goals and timetables for the appropriate area as listed in the notice required by 41 CFR 60-4.2 with regard to that trade. For the purposes of this part 60-4, a contractor is not participating in a Hometown Plan for a particular trade if it:

(1) Ceases to be signatory to a Hometown Plan covering that trade;

(2) Is signatory to a Hometown Plan for that trade but is not party to a collective bargaining agreement for that trade;

(3) Is signatory to a Hometown Plan for that trade but is party to a collective bargaining agreement with labor organizations which are not or cease to be signatories to the same Hometown Plan for that trade;

(4) Is signatory to a Hometown Plan for that trade but is party to a collective bargaining agreement with a labor organization for that trade but the two have not jointly executed a specific commitment to minority and female goals and timetables and incorporated the commitment in the Hometown Plan for that trade;

(5) Is participating in a Hometown Plan for that trade which is no longer acceptable to the Office of Federal Contract Compliance Programs;

(6) Is signatory to a Hometown Plan for that trade but is party to a collective bargaining agreement with a labor organization for that trade and the labor organization and the contractor have failed to make a good faith effort to comply with their obligations under the Hometown Plan for that trade.

(b) Contractors participating in Hometown Plans must be able to demonstrate their participation and document their compliance with the provision of the Hometown Plan.

§ 60-4.6 Goals and timetables.

The Director, from time to time, shall issue goals and timetables for minority and female utilization which

...the contract is written.

Sec. 60-4.2. The regulations in this part are in addition to the regulations contained in this chapter which apply to construction contractors and subcontractors generally. See particularly, 41 CFR 60-1.4 (a), (b), (c), (d), and (e); 60-1.5; 60-1.7; 60-1.8; 60-1.26; 60-1.29; 60-1.30; 60-1.32; 60-1.41; 60-1.42; 60-1.43; and 41 CFR part 60-3; part 60-20; part 60-30; part 60-40; and part 60-50.

§ 60-4.7 Effect on other regulations.

The regulations in this part are in addition to the regulations contained in this chapter which apply to construction contractors and subcontractors generally. See particularly, 41 CFR 60-1.4 (a), (b), (c), (d), and (e); 60-1.5; 60-1.7; 60-1.8; 60-1.26; 60-1.29; 60-1.30; 60-1.32; 60-1.41; 60-1.42; 60-1.43; and 41 CFR part 60-3; part 60-20; part 60-30; part 60-40; and part 60-50.

§ 60-4.8 Show cause notice.

If an investigation or compliance review reveals that a construction contractor or subcontractor has violated the Executive order, any contract clause, specifications or the regulations in this chapter and if administrative enforcement is contemplated, the Director shall issue to the contractor or subcontractor a notice to show cause which shall contain the items specified in (i)-(iv) of 41 CFR 60-2.2(c)(1). If the contractor does not show good cause within 30 days, or in the alternative, fails to enter an acceptable conciliation agreement which includes where appropriate, make up goals and timetables, back pay, and seniority relief for affected class members, the OFCCP shall follow the procedure in 41 CFR 60-1.26(b): *Provided*, That where a conciliation agreement has been violated, no show cause notice is required prior to the initiation of enforcement proceedings.

§ 60-4.9 Incorporation by operation of the order.

By operation of the order, the equal opportunity clause contained in § 60-1.4, the Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246) contained in § 60-4.2, and the Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246) contained in § 60-4.3 shall be deemed to be a part of every solicitation or of every contract and subcontract, as appropriate, required by the order and the regulations in this chapter to include such clauses whether or not they are physically incorporated

PART 60-20 SEX DISCRIMINATION GUIDELINES

- Sec. 60-20.1 Title and purpose.
60-20.2 Recruitment and advertisement.
60-20.3 Job policies and practices.
60-20.4 Seniority system.
60-20.5 Discriminatory wages.
60-20.6 Affirmative actions.

AUTHORITY: Sec. 201, E.O. 11246, 30 FR 12319, and E.O. 11375, 32 FR 14303, as amended by E.O. 12046.

§ 60-20.1 Title and purpose.

The purpose of the provisions in this part is to set forth the interpretations and guidelines of the Office of Federal Contract Compliance Programs regarding the implementation of Executive Order 11246, as amended for the promotion and insuring of equal opportunities for all persons employed or seeking employment with Government contractors and subcontractors or with contractors and subcontractors performing under federally assisted construction contracts, without regard to sex. Experience has indicated that special problems related to the implementation of the Executive Order require a definitive treatment beyond the terms of the order itself. These interpretations are to be read in connection with existing regulations, set forth in Part 60-1 of this chapter.

§ 60-20.2 Recruitment and advertisement.

(a) Employers engaged in recruiting activity must recruit employees of both sexes for all jobs unless sex is a bona fide occupational qualification.

(b) Advertisement in newspapers and other media for employment must not express a sex preference unless sex is a bona fide occupational qualification for the job. The placement of an advertisement in columns headed "Male" or "Female" will be considered an expression of a preference, limitation, specification, or discrimination based on sex.

§ 60-20.3 Job policies and practices.

(a) Written personnel policies relating to this subject area must expressly indicate that there shall be no discrimination against employees on account of sex. If the employer deals with a bargaining representative for his employees and there is a written agreement on conditions of employment, such agreement shall not be inconsistent with these guidelines.

(b) Employees of both sexes shall have an equal opportunity to any available job that he or she is qualified to perform, unless sex is a bona fide occupational qualification.

NOTE: In most Government contract work there are only limited instances where valid

...would justify the exclusion of all men or all women from any given job.

(c) The employer must not make any distinction based upon sex in employment opportunities, wages, hours, or other conditions of employment. In the area of employer contributions for insurance, pensions, welfare programs and other similar "fringe benefits" the employer will not be considered to have violated these guidelines if his contributions are the same for men and women or if the resulting benefits are equal.

(d) Any distinction between married and unmarried persons of one sex that is not made between married and unmarried persons of the opposite sex will be considered to be a distinction made on the basis of sex. Similarly, an employer must not deny employment to women with young children unless it has the same exclusionary policies for men; or terminate an employee of one sex in a particular job classification upon reaching a certain age unless the same rule is applicable to members of the opposite sex.

(e) The employer's policies and practices must assure appropriate physical facilities to both sexes. The employer may not refuse to hire men or women, or deny men or women a particular job because there are no restroom or associated facilities, unless the employer is able to show that the construction of the facilities would be unreasonable for such reasons as excessive expense or lack of space.

(f)(1) An employer must not deny a female employee the right to any job that she is qualified to perform in reliance upon a State "protective" law. For example, such laws include those which prohibit women from performing in certain types of occupations (e.g., a bartender or a core-maker); from working at jobs requiring more than a certain number of hours; and from working at jobs that require lifting or carrying more than designated weights.

(2) Such legislation was intended to be beneficial, but, instead, has been found to result in restricting employment opportunities for men and/or women. Accordingly, it cannot be used as a basis for denying employment or for establishing sex as a bona fide occupational qualification for the job.

(g)(1) Women shall not be penalized in their conditions of employment, because they require time away from work on account of childbearing. When, under the employer's leave policy the female employee would qualify for leave, then childbearing must be considered by the employer to be a justification for leave of absence for female employees for a reasonable period of time. For example, if the female employee meets the equally ap-

plied minimum length of service requirements for leave time, she must be granted a reasonable leave on account of childbearing. The conditions applicable to her leave (other than the length thereof) and to her return to employment, shall be in accordance with the employer's leave policy.

(2) If the employer has no leave policy, childbearing must be considered by the employer to be a justification for a leave of absence for a female employee for a reasonable period of time. Following childbirth, and upon signifying her intent to return within a reasonable time, such female employee shall be reinstated to her original job or to a position of like status and pay, without loss of service credits.

(h) The employer must not specify any differences for male and female employees on the basis of sex in either mandatory or optional retirement age.

(i) Nothing in these guidelines shall be interpreted to mean that differences in capabilities for job assignments do not exist among individuals and that such distinctions may not be recognized by the employer in making specific assignments. The purpose of these guidelines is to insure that such distinctions are not based upon sex.

§ 60-20.4 Seniority system.

Where they exist, seniority lines and lists must not be based solely upon sex. Where such a separation has existed, the employer must eliminate this distinction.

§ 60-20.5 Discriminatory wages.

(a) The employer's wages schedules must not be related to or based on the sex of the employees.

NOTE. The more obvious cases of discrimination exist where employees of different sexes are paid different wages on jobs which require substantially equal skill, effort and responsibility and are performed under similar working conditions.

(b) The employer may not discriminatorily restrict one sex to certain job classifications. In such a situation, the employer must take steps to make jobs available to all qualified employees in all classifications without regard to sex. (Example: An electrical manufacturing company may have a production division with three functional units: One (assembly) all female; another (wiring), all male; and a third (circuit boards), also all male. The highest wage attainable in the assembly unit is considerably less than that in the circuit board and wiring units. In such a case the employer must take steps to provide qualified female employees opportunity for placement in job openings in the other two units.)

(c) To avoid overlapping and conflicting administration the Director will consult with the Administrator of

the Wage and Hour Administration before issuing an opinion on any matter covered by both the Equal Pay Act and Executive Order 11246, as amended.

§ 60-20.6 Affirmative action.

(a) The employer shall take affirmative action to recruit women to apply for those jobs where they have been previously excluded.

NOTE. This can be done by various methods. Examples include: (1) Including in itineraries of recruiting trips women's colleges where graduates with skills desired by the employer can be found, and female students of coeducational institutions and (2) designing advertisements to indicate that women will be considered equally with men for jobs.

(b) Women have not been typically found in significant numbers in management. In many companies management trainee programs are one of the ladders to management positions. Traditionally, few, if any, women have been admitted into these programs. An important element of affirmative action shall be a commitment to include women candidates in such programs.

(c) Distinctions based on sex may not be made in other training programs. Both sexes should have equal access to all training programs and affirmative action programs should require a demonstration by the employer that such access has been provided.

PART 60-30—RULES OF PRACTICE FOR ADMINISTRATIVE PROCEEDINGS TO ENFORCE EQUAL OPPORTUNITY UNDER EXECUTIVE ORDER 11246

GENERAL PROVISIONS

Sec.

- 60-30.1 Applicability of rules.
- 60-30.2 Waiver, modification.
- 60-30.3 Computation of time.
- 60-30.4 Form, filing, service of pleadings and papers.

PREHEARING PROCEDURES

- 60-30.5 Administrative complaint.
- 60-30.6 Answer.
- 60-30.7 Notice of prehearing conference.
- 60-30.8 Motions; disposition of motions.
- 60-30.9 Interrogatories, and admissions as to facts and documents.
- 60-30.10 Production of documents and things and entry upon land for inspection and other purposes.
- 60-30.11 Depositions upon oral examination.
- 60-30.12 Prehearing conferences.
- 60-30.13 Consent findings and order.

HEARINGS AND RELATED MATTERS

- 60-30.14 Designation of Administrative Law Judges.
- 60-30.15 Authority and responsibilities of Administrative Law Judges.
- 60-30.16 Appearances.
- 60-30.17 Appearance of witnesses.

- 60-30.18 Evidence; testimony.
- 60-30.19 Objections; exceptions; offer of proof.
- 60-30.20 Ex Parte communications.
- 60-30.21 Oral argument.
- 60-30.22 Official transcript.
- 60-30.23 Summary judgment.
- 60-30.24 Participation by interested persons.

POST HEARING PROCEDURES

- 60-30.25 Proposed findings of fact and conclusions of law.
- 60-30.26 Record for recommended decision.
- 60-30.27 Recommended decision.
- 60-30.28 Exceptions to recommended decisions.
- 60-30.29 Record.
- 60-30.30 Final Administrative Order.

AUTHORITY: Secs. 201, 205, 208, 209, 301, 302(b) and 303(a) of the Executive Order 11246, as amended, 30 FR 12319; 32 FR 14303; § 60-1.26 of Part 60-1 of this chapter (41 CFR Part 60-1), as amended by E.O. 12086.

GENERAL PROVISIONS

§ 60-30.1 Applicability of rules.

This part provides the rules of practice for all administrative proceedings, instituted by the OFCCP including but not limited to proceedings instituted against construction contractors or subcontractors, which relate to the enforcement of equal opportunity under Executive Order 11246, as amended. In the absence of a specific provision, procedures shall be in accordance with the Federal Rules of Civil Procedure.

§ 60-30.2 Waiver, modification.

Upon notice to all parties, the Administrative Law Judge may, with respect to matters pending before him modify or waive any rule herein upon a determination that no party will be prejudiced and that the ends of justice will be served thereby.

§ 60-30.3 Computation of time.

In computing any period of time under these rules or in an order issued hereunder, the time begins with the day following the act, event, or default, and includes the last day of the period, unless it is a Saturday, Sunday, or legal holiday observed by the Federal Government in which event it includes the next business day.

§ 60-30.4 Form, filing, service of pleadings and papers.

(a) Form. The original of all pleadings and papers in a proceeding conducted under the regulations in this part shall be filed with the Administrative Law Judge assigned to the case or with the Chief Administrative Law Judge if the case has not been assigned. Every pleading and paper filed in the proceeding shall contain a caption setting forth the name of the agency instituting the proceeding, the title of the action, the case file