

# THE GOVERNOR

## Title 4—ADMINISTRATION

### PART I. GOVERNOR'S OFFICE

#### [4 PA. CODE CH. 1]

#### [EXECUTIVE ORDER NO. 2006-2]

### Contract Compliance

January 31, 2006

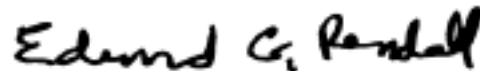
*Whereas*, this Administration is firmly committed to promoting the prosperity and economic growth of all businesses and citizens of the Commonwealth of Pennsylvania; regardless of race, gender, creed, or color; and

*Whereas*, this Administration believes the contracting processes of Commonwealth agencies should be nondiscriminatory and that all businesses contracting with the Commonwealth as well as all grantees should utilize nondiscriminating practices in subcontracting, hiring, promoting, and other labor matters; and

*Whereas*, this Administration believes that a single Commonwealth agency should be assigned the responsibility to develop and manage programs for Commonwealth agencies to insure that discrimination by reason of gender, race, creed, or color does not exist with respect to the award, selection, or performance of any contracts or grants issued by Commonwealth agencies; and

*Whereas*, under Sections 301 and 3701 of the Commonwealth Procurement Code, the Department of General Services is generally responsible for the formulation of procurement policy.

*Now, Therefore*, I Edward G. Rendell, Governor of the Commonwealth of Pennsylvania, by virtue of the authority vested in me by the Constitution of the Commonwealth of Pennsylvania and other laws, do hereby designate the Department of General Services as the central agency to develop and manage Commonwealth agency programs to insure that discrimination by reason of gender, race, creed, or color does not exist with respect to the award, selection, or performance of any contracts or grants issued by Commonwealth agencies.



Governor

**Fiscal Note:** GOV 06-3. No fiscal impact; (8) recommends adoption.

#### Annex A

#### TITLE 4. ADMINISTRATION

#### PART I. GOVERNOR'S OFFICE

#### CHAPTER 1. AGENCY OPERATION AND ORGANIZATION

#### Subchapter QQ. CONTRACT COMPLIANCE PROGRAM

- Sec.
- 1.511. Establishment of contract compliance program.
  - 1.512. Responsibilities.
  - 1.513. Sanctions.
  - 1.514. Effective date.

#### § 1.511. Establishment of contract compliance program.

Commonwealth agencies shall establish, implement and maintain contract compliance programs to ensure that Commonwealth contracts and grants are nondiscriminating in three aspects:

(1) Nondiscrimination in the Commonwealth's award of contracts and grants.

(2) Nondiscrimination by those who are awarded Commonwealth contracts and grants in their award of subcontracts and supply contracts for the performance under Commonwealth contracts.

(3) Nondiscrimination by those who are awarded Commonwealth contracts and grants in the hiring and treatment of their employees.

**§ 1.512. Responsibilities.**

(a) The Department of General Services (DGS) shall:

(1) Develop standards for a uniform Statewide contract compliance program that ensures nondiscrimination by Commonwealth contractors and grantees.

(2) Review agency contract compliance programs, plans, reports and procedures to ensure consistency with the DGS contract compliance policies.

(3) Develop and implement monitoring and reporting systems to measure the effectiveness of agency contract compliance programs.

(4) Provide leadership and training to agencies and assist them in conducting contract compliance program audits including periodic onsite reviews.

(5) Investigate and make reports relating to the administration of contracting programs and operations.

(6) Require contractors and grantees to agree, as a condition in their contracts or agreements with the Commonwealth, not to discriminate in the award of subcontract or supply contracts or in hiring, promotion or other labor matters on the basis of race, gender, creed or color.

(7) Ensure that contractors and grantees receiving Commonwealth funds have, as a condition of payment or funding, a written sexual harassment policy and that the employees of the contractor or grantee are aware of the policy.

(b) Agency heads under the Governor's jurisdiction shall:

(1) Ensure that the agency's commitment to the contract compliance program is clearly understood and appropriately implemented by all agency employees.

(2) Develop contract compliance plans, coordinate the development of activities to implement agency plans, and develop audit and reporting systems to measure the effectiveness of the agency's contract compliance programs.

(3) Designate a responsible official to supervise the agency's contract compliance program.

(4) Designate a contract administrator to carry out all agency responsibilities regarding contract compliance as issued under this subchapter.

(5) Upon request, furnish information or assistance to DGS.

(6) Recommend sanctions to the Secretary of DGS, as may be appropriate, for lack of compliance with Commonwealth contracting programs.

(c) For those programs when an agency's receipt and use of Federal funds are subject to approval and oversight by a Federal funding agency, agency heads under the Governor's jurisdiction will comply with those contract compliance requirements of the oversight Federal agency which are imposed as a condition of eligibility for Federal funds and not with the program requirements established by DGS.

**§ 1.513. Sanctions.**

(a) Failure to comply with the Commonwealth's contract compliance programs will result in the imposition of sanctions.

(b) For contractors or grantees receiving Commonwealth funds, sanctions may include, but are not limited to, termination of the contract, nonpayment, debarment or referral to the Office of General Counsel for appropriate civil or criminal referral.

**§ 1.514. Effective date.**

This subchapter takes effect immediately.

[Pa.B. Doc. No. 06-598. Filed for public inspection April 14, 2006, 9:00 a.m.]

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