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Minority Quota Ordered in Contract Bids For U. S. Jobs

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U. S. Revives 'Phila. Plan' on Hiring

The U. S. Labor Department today revived the controversial "Philadelphia Plan" with an order requiring seven contractor trades in Philadelphia and four surrounding counties to hire minority group members on Federal construction jobs exceeding \$500,000.

The trades affected are ironworkers, plumbers and pipefitters, steam fitters, sheetmetal workers, electrical workers, roofers and water-proofers, and elevation construction workers. All will be subject to minority hiring quotas in any government contract of \$500,000 or more in Philadelphia and Bucks, Chester, Delaware and Montgomery counties.

The Labor Department order reverses a Nov. 18, 1968, ruling of the General Accounting Office that said implementation of the Philadelphia Plan violated government bidding procedures and in effect imposed illegal hiring quotas on prospective contractors.

UNDER TERMS of the new order, Federal agencies will determine quotas before any bidding on a government contract. These quotas would become part of the bid and would not be negotiable, the Labor Department said.

The quotas would set a range of minority group employment for each contract based on extent of minority employment in the trade and the availability of minority group members for hiring.

The only exemptions from the order would be when the government determined a contract must be awarded for national security reasons even if it didn't meet the hiring requirements.

A Labor Department spokesman said, "Failure to meet an established standard will result in the bid being rejected. In no case will there be any negotiation over provisions of the specific goals submitted by a bidder after opening of bids and prior to the award of the contract."

THE LABOR Department spokesman also warned prospective bidders that the process would be followed up with thorough and frequent inspections after the award of the contract to insure that the standards were being maintained.

The new system could have a dramatic result—not only in Philadelphia and surrounding counties—but in building and construction trade unions across the nation. The unions have

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been under heavy fire in recent years for alleged racial discrimination in their membership practices. In most construction work the unions, not the contractors, do the hiring.

"Because of the deplorably low rate of employment among members of minority groups in these attractive trades across the nation we plan in the immediate future to set up similar plans in other major cities," the Labor Department spokesman said.

THE PHILADELPHIA Plan, as it became known, was born during a meeting of the Philadelphia Federal Executive Board—composed of regional administrators of all government offices here—and made public in almost routine fashion Nov. 30, 1967.

The administrators referred to the plan as an outgrowth of previous civil rights legislation and used as their authority an executive order signed by President Lyndon B. Johnson in 1965.

During the time the plan was in existence, from November 1967 until the GAO ruling a year later, it was the center of a swirling controversy that had trade unions, city and civic officials pounding on the Labor Department's door.

At one time during the period the Philadelphia Federal Executive Board held up more than \$150 million in Federal funds on jobs where it was charged the minority hiring rule was not being enforced.

The Philadelphia Plan also was blamed by contractors for holding up more than \$97 million in state highway construction.

THE PLAN PLACES most of

the burden on the contractor. If a representative number of Negroes is not available, the contractor is required to find qualified Negro employes, or if none are available, he must train the required number himself. Only the choice of program of training is left to the contractor, and the plan must be submitted in writing to the Labor Department before a contract can be awarded.

The GAO ruling had Philadelphia officials scurrying to Washington in what proved a successful bid to sidetrack the decision. Whether the quota system of hiring called for in the Labor Department's ruling will be acceptable now remains to be seen.

When the GAO ruling was handed down, U. S. Comptroller General Elmer B. Staats said the plan could not be implemented because the term "substantial" — referring to the number of minority group members — was not clear enough. He called for the establishment of specific standards.

CHARLES W. BOWSER, executive director of the Philadelphia Urban Coalition, took strong issue with the ruling by Staats.

Bowser, members of Philadelphia's Congressional delegation, Thomas H. Burress 3d, representing the coalition's economic development task force, Clarence Farmer, executive director of the City Human Relations Commission, and members of the Committee to Save the Philadelphia Plan, met with Staats last April 29 in Washington.