

NEWS



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PLUMBING FIRM UNDER PHILADELPHIA PLAN DEBARRED FROM FEDERAL CONTRACTS

Assistant Secretary of Labor for Employment Standards R. J. Grunewald and Acting Assistant Secretary of Equal Opportunity Malcolm E. Peabody, Jr., of the U. S. Department of Housing and Urban Development today announced the debarment of a Philadelphia plumbing contractor, Russell Associates, Inc., from receiving further Federal or Federally-assisted construction contracts because the firm was in noncompliance with the Philadelphia Plan.

The Philadelphia Plan is an implementation of the provisions of Executive Order 11246, which prohibits discrimination in the employment of workers in Federal or Federally-assisted contracts. The Executive Order is administered by the U. S. Department of Labor's Office of Federal Contract Compliance (OFCC). HUD has the responsibility for monitoring compliance with the Executive Order with respect to HUD-assisted construction.

The debarment occurred in connection with a contract on a Hud-assisted Turnkey housing construction project sponsored by the Montgomery County, Pennsylvania Housing Authority.

Under the Philadelphia Plan the general contractor is responsible for submitting minority group utilization goals and timetables as a measure of progress in providing equal employment opportunity. Subcontractors, including plumbers and pipe fitters, are obligated to make good-faith efforts to meet these goals and timetables.

A prime contractor on the Turnkey project, Backman Construction Co., submitted manpower utilization reports to HUD indicating that a sub-contractor, Russell Associates, had failed to use minorities sufficiently to achieve the goals and timetables to which it was committed.

After conciliation efforts to bring the company into compliance and a hearing at which Russell Associates failed to demonstrate that it had made good faith efforts to increase minority utilization, HUD Secretary George Romney ordered Russell Associates debarred from further Federal Contract Work.

The OFCC approved the debarment and placed the name of the firm on its ineligibility list which is distributed to all Federal agencies. The firm will remain ineligible until it can prove to the satisfaction of the OFCC that it has established and will carry out employment practices that comply with Executive Order 11246.

Assistant Secretary of Labor Grunewald said, "The compliance activity which resulted in debarring Russell Associates is a strong example of the manner in which the OFCC, HUD and the other Federal Contract Compliance Agencies are carrying out the provisions of the Philadelphia Plan and similar hometown and imposed plans throughout the country.

"There should be no doubt about our support for such plans," Grunewald added.

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