Policy Subject: 7.10 – Business Supplier Diversity and Contract Compliance

This is a statement of official Pennsylvania Turnpike Commission Policy

Responsible Department: Diversity and Inclusion

A. **Purpose:**

The Pennsylvania Turnpike Commission (“Commission”) recognizes the importance of disadvantaged, small, minority, women, service-disabled veteran-owned, and veteran-owned businesses to the economies of the state and to the customers that travel our system. Accordingly, the Commission desires to promote fair and equitable opportunities and competition in Procurement by assisting historically underutilized or disadvantaged businesses, or those businesses deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages, in learning how to do business with the Commission. The Commission establishes the Contract Compliance Review (CCR) Program to promote Nondiscrimination in Procurement through effective monitoring and reviews.

B. **Scope:**

This policy letter applies to disadvantaged, small, minority, women, service-disabled veteran-owned and veteran-owned businesses seeking to do business with the Commission or its contractors and the Commission project managers who oversee such contracts.

C. **General Policy:**

It is the policy of the Commission to promote Equal Opportunity, Nondiscrimination, and competition in all Procurement opportunities through effective outreach, promotion, compliance monitoring, and reviews.

The Commission supports a CCR program that takes measures to ensure that Commission Procurement opportunities and contracts are free from adverse impact without regard to race, color, national origin, ancestry, religion, disability, age, sex or veteran status.

CCR is supported by the following laws: Title VI Civil Rights Act of 1964, as amended; Title VII Civil Rights Act of 1964, as amended; Executive Order 2006-02, Contract Compliance dated January 31, 2006; Affirmative Action and Nondiscrimination Obligation of Contractors and

The Commission’s Office of Diversity and Inclusion (“Office”) administers the Commission’s Business and Supplier Diversity Program and the Commission’s CCR program. The Office has oversight responsibility for assuring Equal Opportunity and Nondiscrimination in Commission Procurement. The Office shall also recommend and monitor Goals for Disadvantaged Business Enterprises (DBE) and Minimum Participation Levels (MPLs) for Minority Business Enterprises / Women Business Enterprises (MBE/WBE) for qualified professional services, construction, and engineering contracts.

The Commission may establish Goals and MPLs for Disadvantaged / Minority / Veteran / Women Business Enterprises (D/M/V/WBE) participation on all contracts, amendments, work orders and extensions that exceed $250,000.00 for Construction and Engineering; $50,000.00 for other Professional Services.

An overall Commission objective of 10% of the value of purchases has been established for D/M/V/WBE on all other procurements not mentioned above.

Firms prequalified through the Pennsylvania Department of Transportation (“PennDOT”) Prequalification of Bidders Program are expected to be familiar with and follow the Commission’s Commitment to Business Diversity on Commission construction contracts.

D. **Definitions:**

1. **Disadvantaged Business Enterprise (DBE):** DBEs are “for-profit” small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. In the case of a corporation, at least 51% of the stock of a DBE is owned and controlled by one or more socially and economically disadvantaged individuals. African Americans, Hispanic Americans, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals may also qualify as socially and economically disadvantaged on a case-by-case basis.

2. **Disadvantaged/Minority/Veteran/Women Business Enterprise (D/M/V/WBE):** Firms that are owned and controlled by disadvantaged, minorities, veterans, and/or women and appear on the Pennsylvania United Certification Program (“PAUCP”) list or a similar approved list for veterans.

3. **Equal Opportunity:** Policies and practices in employment and other areas that do not discriminate against persons based on race, color, religion, gender, national origin, or veteran status.
4. **Equal Opportunity Plan:** A written document committing the vendor to a program designed to achieve a balanced work force within a reasonable period of time. It contains, at a minimum, a policy statement, work force analysis, program objectives, internal monitoring system and dissemination of the plan.

5. **Goal:** A designated amount or percentage of a federally-funded contract that sets DBE participation.

6. **Good Faith Effort:** Demonstrated steps by prospective Commission contractors to increase opportunities for D/M/V/WBEs.

7. **Minimum Participation Levels ("MPLs"):** A designated amount or percentage of a Commission-funded contract that sets MBE/WBE participation.

8. **Nondiscrimination:** The practice or policy of refraining from discriminatory practices.

9. **Office:** The Commission’s Office of Diversity and Inclusion.

10. **Procurement:** Buying, purchasing, renting, leasing, licensing, or otherwise acquiring any supplies, services, or construction. The term also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

### E. Procedures

1. The Office shall make available resources for business and supplier diversity through community outreach, partnerships, training, communications, and web presence. All information and resources regarding business diversity and contract compliance will be posted on the Commission’s website and are available by contacting the Office.

2. The Office conducts periodic training and informational sessions for all prospective business entities desiring to do business, and those currently conducting business, with the Commission.

3. The Office shall have access to all information for all Commission Procurement activities to assure diversity and compliance throughout the process.

4. Commission departments and employees involved in Procurement of construction and professional services shall obtain, after contract award, a copy of the vendor’s D/M/V/WBE Equal Opportunity Plan and a clearly stated plan for achieving compliance with applicable Commission Goals or MPLs.
5. The Office shall implement Goals and MPLs for D/M/V/WBE utilization as approved by the Commission.

6. As appropriate, the following terms shall be added to Commission Procurement contracts for construction and professional services: terms that provide for cooperation with the Office regarding compliance review (e.g. furnishing or making available for inspection, in a timely manner, a vendor’s Equal Opportunity Plan, communications, verification of payments, and necessary reports and assistance as required to complete a compliance review) and terms that provide for creation of development plans by the Office for vendors to comply with contract requirements regarding Nondiscrimination and Equal Opportunity.

7. Commission project managers are responsible for timely submittals of compliance reports and for contract oversight to ensure consistency of contract compliance.

8. The Office shall establish a monitoring and reporting system for contract compliance. As part of contract compliance, the Office may review contract documents and prepare reports of those reviews. Accordingly, vendors who are considered non-compliant after review by the Office may be subject to a development plan to improve within a designated timeframe. Vendors not fully compliant after a designated timeframe may be considered in breach of the Commission contract and may be subject to additional sanctions that may include: nonpayment, debarment, contract termination and/or civil or criminal referrals.

This Policy Letter supersedes all previous Policy Letters on this subject.