



AN ACT CONCERNING CONTRACT COMPLIANCE PROCEDURES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 46a-56 of the general statutes is
2 repealed and the following is substituted in lieu thereof:

3 (c) If the commission determines through its [complaint] contract
4 compliance procedure and after a hearing pursuant to section 46a-68h,
5 as amended by this act, that a contractor or subcontractor is not
6 complying with antidiscrimination statutes or contract provisions
7 required under section 4a-60 or 4a-60a or the provisions of section 46a-
8 68c, 46a-68d, as amended by this act, 46a-68e or 46a-68f, [(A)] (1) the
9 state shall retain two per cent of the total contract price per month on
10 any existing contract with such contractor, and [(B)] (2) the contractor
11 shall be prohibited from participation in any further contracts with
12 state agencies until: [(i)] (A) The expiration of a period of two years
13 from the date of the finding of noncompliance, or [(ii)] (B) the
14 commission determines that the contractor has adopted policies
15 consistent with such statutes. The commission shall make such a
16 determination as to whether the contractor has adopted such policies
17 within forty-five days of its determination of noncompliance. In
18 addition, the commission may do one or more of the following: [(1)] (i)
19 Publish or cause to be published, the names of contractors or unions
20 which it has found to be in noncompliance with such provisions; [(2)]
21 (ii) notify the attorney general that, in cases in which there is

22 substantial or material violation or the threat of substantial or material
23 violation of the contractual provisions set forth in section 4a-60 or 4a-
24 60a, appropriate proceedings should be brought to enforce those
25 provisions, including the enjoining, within the limitations of applicable
26 law, of organizations, individuals or groups who prevent directly or
27 indirectly, or seek to prevent directly or indirectly, compliance with
28 the provisions of said section 4a-60 or 4a-60a; [(3)] (iii) recommend to
29 the Equal Employment Opportunity Commission or the Department of
30 Justice that appropriate proceedings be instituted under Title VII of the
31 Civil Rights Act of 1964, when necessary; [(4)] (iv) recommend to the
32 appropriate prosecuting authority that criminal proceedings be
33 brought for the furnishing of false information to any contracting
34 agency or to the commission as the case may be; [(5)] (v) order the
35 contracting agency to refrain from entering into further contracts, or
36 extension or other modifications of existing contracts, with any
37 noncomplying contractor, until such contractor has satisfied the
38 commission that such contractor has established and will carry out
39 personnel and employment policies in compliance with
40 antidiscrimination statutes and provisions of section 4a-60 or 4a-60a
41 and sections 46a-68c to 46a-68f, inclusive. The commission shall adopt
42 regulations in accordance with chapter 54 to implement the provisions
43 of this section.

44 Sec. 2. Subsection (d) of section 46a-56 of the general statutes is
45 repealed and the following is substituted in lieu thereof:

46 (d) If the commission determines through its [complaint] contract
47 compliance procedure and after a hearing held in accordance with
48 chapter 54 that, with respect to a state contract, a contractor,
49 subcontractor or supplier of materials has (1) fraudulently qualified as
50 a minority business enterprise, or (2) performed services or supplied
51 materials on behalf of another contractor, subcontractor or supplier of
52 materials knowing (A) that such other contractor, subcontractor or
53 supplier has fraudulently qualified as a minority business enterprise in
54 order to comply with antidiscrimination statutes or contract provisions
55 required under section 4a-60 or 4a-60a, and (B) that such services or

56 materials are to be used in connection with a contract entered into
57 pursuant to subsection (b) of section 4a-60g it shall assess a civil
58 penalty of not more than ten thousand dollars upon such contractor,
59 subcontractor or supplier of materials. The Attorney General, upon
60 complaint of the commission, shall institute a civil action in the
61 superior court for the judicial district of Hartford to recover such
62 penalty. Any penalties recovered shall be deposited in a special fund
63 and shall be held by the Treasurer separate and apart from all other
64 moneys, funds and accounts. The resources in such fund shall,
65 pursuant to regulations adopted by the commission in accordance with
66 the provisions of chapter 54, be used to assist minority business
67 enterprises. As used in this section, "minority business enterprise"
68 means any contractor, subcontractor or supplier of materials fifty-one
69 per cent or more of the capital stock, if any, or assets of which is owned
70 by a person or persons: [(1)] (i) Who are active in the daily affairs of the
71 enterprise; [(2)] (ii) who have the power to direct the management and
72 policies of the enterprise; and [(3)] (iii) who are members of a minority,
73 as such term is defined in subsection (a) of section 32-9n.

74 Sec. 3. Section 46a-68d of the general statutes is repealed and the
75 following is substituted in lieu thereof:

76 In addition to the provisions of section 4a-60, every public works
77 contract [subject to the provisions of part II of chapter 60] in excess of
78 five hundred thousand dollars in any fiscal year shall also be subject to
79 the provisions of this section. After a [bid] proposal has been accepted
80 but before a contract is awarded, the successful [bidder] contractor
81 shall file and have approved by the commission an affirmative action
82 plan. The commission may provide for conditional acceptance of an
83 affirmative action plan provided written assurances are given by the
84 contractor that it will amend its plan to conform to affirmative action
85 requirements. The state shall withhold two per cent of the total
86 contract price per month from any payment made to such contractor
87 until such time as the contractor has developed an affirmative action
88 plan, and received the approval of the commission. Notwithstanding
89 the provisions of this section, a contractor subject to the provisions of

90 this section may file a plan in advance of or at the same time as its [bid]
91 proposal. The commission shall review plans submitted pursuant to
92 this section within sixty days of receipt and either approve, approve
93 with conditions or reject such plan. When the commission approves an
94 affirmative action plan pursuant to this section, it shall issue a
95 certificate of compliance to the contractor as provided in section 46a-
96 68c.

97 Sec. 4. Section 46a-68h of the general statutes is repealed and the
98 following is substituted in lieu thereof:

99 If the commission issues an order pursuant to [subdivision (5)]
100 subparagraph (B)(v) of subdivision (2) of subsection (c) of section 46a-
101 56, as amended by this act, the contractor or subcontractor may request
102 a hearing within fifteen days of receipt of such order to allow such
103 contractor or subcontractor to show cause why the commission's order
104 should not be implemented. Upon receipt of a request for a hearing,
105 the commission shall appoint a hearing officer or human rights referee
106 pursuant to the procedures adopted by the commission. Any hearing
107 requested pursuant to this section shall be conducted in accordance
108 with the provisions of sections 4-177 to 4-182, inclusive.

109 Sec. 5. This act shall take effect July 1, 2001.

GAE *Joint Favorable Subst.*