

U.S. Small Business Administration

AGREEMENT OF COMPLIANCE

In compliance with Executive Order 11246, as amended (Executive Order 11246, as amended prohibits discrimination because of race, color, religion, sex, or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment by all contractors and subcontractors, performing work under a Federally assisted construction contract in excess of \$10,000, regardless of the number of employees), the applicant/recipient, contractor or subcontractor agrees that in consideration of the approval and as a condition of the disbursement of all or any part of a loan by the Small Business Administration (SBA) that it will incorporate or cause to be incorporated into any contract or subcontract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor, at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under Executive Order 11246, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246, as amended, and the rules and relevant orders of the Secretary of Labor created thereby.
- (5) The contractor will furnish all information and reports required by Executive Order 11246, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by SBA (See SBA Form 793) and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders. (The information collection requirements contained in Executive Order 11246, as amended, are approved under OMB No. 1215-0072.)
- (6) In the event of the contractor's noncompliance with the nondiscrimination clause or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Executive Order 11246, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as SBA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by SBA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

The Applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work.

The Applicant agrees that it will assist and cooperate actively with SBA and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish SBA and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist SBA in the discharge of the Agency's primary responsibility for securing compliance. The Applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246, as amended, and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by SBA or the Secretary of Labor or such other sanctions and penalties for violation thereof as may, in the opinion of the Administrator, be necessary and appropriate.

In addition, the Applicant agrees that if it fails or refuses to comply with these undertakings SBA may take any or all of the following actions: cancel, terminate or suspend in whole or in part the loan; refrain from extending any further assistance to the applicant under the programs with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

In consideration of the approval by the Small Business Administration of a loan to _____ Applicant, said Applicant and _____ the general contractor, mutually promise and agree that the(y) will comply with all nondiscrimination provisions and requirements of Executive Order 11246, as amended.

Executed the _____ day of _____ 19____.

Name, Address, & Phone No. of Applicant

By _____
Typed Name & Title of Authorized Official

Corporate Seal

Signature of Authorized Official

Name, Address, & Phone No. of Subrecipient

By _____
Typed Name & Title of Authorized Official

Corporate Seal

Signature of Authorized Official