

surplus, with first preference being given in areas of persistent labor surplus, and to assist such areas in making the best use of their available resources in order to achieve the following objectives:

- (a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;
- (b) To maintain productive facilities;
- (c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;
- (d) To help assure timely delivery of required goods and services and to promote readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available.

4. *Implementation.* By virtue of the authority vested in me by Executive Order 10480 and Executive Order 10773, as amended, and to carry out the purpose and policy objectives set forth above, the following assignments of responsibilities are made to the specified departments and agencies of the Government:

(a) The Department of Labor shall:

(1) Classify areas having a persistent or substantial surplus of labor, under standards to be established by the Secretary of Labor.

(2) In cooperation with the States and labor surplus areas, provide labor market data and related economic information in efforts to assist in the initiation of industrial expansion programs in these areas.

(3) Identify skills which are in surplus supply within such areas and make this information available to firms requiring such skills and interested in establishing new plants and facilities.

(4) Identify occupations and skills for which labor will be needed by new or expanding industries; and, in collaboration with other governmental agencies, make assistance available to area institutions and manpower users in developing on-the-job apprentice or other training programs for developing skills of the workforce.

(b) All procurement agencies shall:

(1) Use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial proportion of the production on those contracts within labor surplus areas, giving first preference to contractors performing in persistent labor surplus areas, to the extent that procurement objectives will permit: *Provided*, That in no case will price differentials be paid for the purpose of carrying out this policy.

(2) Where deemed appropriate, set-aside portions of procurements for negotiation at prices no higher than those paid on the balance of these procurements exclusively with firms which will perform or cause to be performed a substantial proportion of the production on these contracts within labor surplus areas, giving first preference to firms in persistent labor surplus areas: *Provided further* that firms which will perform in areas not meeting the minimum size qualifications for classification by the U.S. Department of Labor shall be eligible for participation in set-asides, if these firms submit a certificate issued by the U.S. Department of Labor that a persistent or substantial labor surplus exists in the area in accordance with standards and procedures prescribed by the U.S. Department of Labor.

(3) Assure that firms in labor surplus areas which are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified. Whenever the number of firms on a bidders' list is excessive, there will be included a representative number of firms from labor surplus areas.

(4) In the event of tie bids or offers on any procurement, award the contract to the firm which will perform in a labor surplus area, other things being equal, giving first preference to firms in persistent labor surplus areas.

(5) Encourage prime contractors to award subcontracts to firms which will perform a substantial proportion of the production on those subcontracts in labor surplus areas, particularly in areas of persistent labor surplus.

(6) The preferential actions described in this policy shall be in addition to other such actions to which firms may be entitled because of performance in substantial labor surplus areas, such as additional preference under the "Buy American Act."

(7) Cooperate with the other agencies listed herein in achieving the objectives of this policy.