

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1136 Session of
1991

INTRODUCED BY MARKOSEK, KOSINSKI, ROBINSON, FARGO, FAIRCHILD,
STUBAN, TRICH, TRELLO, COY, MELIO, JOSEPHS, TULLI, PETRARCA,
STEIGHNER, LAUGHLIN, NAHILL, O'BRIEN, GEIST, VEON, COWELL,
GERLACH, BUSH, BUNT, KRUSZEWSKI, BILLOW, CAPPABIANCA,
BATTISTO, ITKIN, PISTELLA, ARGALL, RICHARDSON, HALUSKA,
SEMMEL, STURLA, OLASZ, TANGRETTI, GIGLIOTTI, ARMSTRONG,
JAMES, MICHLOVIC AND TELEK, APRIL 16, 1991

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, APRIL 16, 1991

AN ACT

1 Establishing the Governor's Keystone Quality Award; establishing
2 criteria and a selection process for the award; providing for
3 presentation of the award; and providing funding for the
4 award.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Governor's
9 Keystone Quality Improvement Act.

10 Section 2. Legislative findings and intent.

11 (a) Findings.--

12 (1) Strategic planning for quality and quality
13 improvement programs, through a commitment to excellence in
14 manufacturing and services, are becoming more and more
15 essential to the well-being of this Commonwealth's economy
16 and its ability to compete effectively in the national and

1 international marketplace.

2 (2) The concept of quality improvement is directly
3 applicable to large and small companies, to manufacturing and
4 service industries and to the private and public sectors.

5 (3) American business and industry are beginning to
6 understand that poor quality costs companies as much as 20%
7 of sales revenues and that improved quality of goods and
8 services goes hand-in-hand with improved productivity, lower
9 costs and increased profitability.

10 (4) The public sector has been criticized for
11 inefficiency in the administration of its services. Competing
12 for a quality award may prompt a reduction in these
13 inefficiencies.

14 (5) The Federal Government, as well as several state
15 governments, has developed quality award programs to give
16 special recognition to those enterprises which have
17 demonstrated excellence in quality and to encourage quality
18 improvement.

19 (6) A quality award program of this kind in this
20 Commonwealth would help improve quality and productivity by:

21 (i) helping to stimulate the public and private
22 sectors in this Commonwealth to improve quality and
23 productivity;

24 (ii) recognizing the achievements of those in the
25 public and private sectors who improve the quality of
26 their goods and services and provide an example to
27 others;

28 (iii) establishing guidelines and criteria that can
29 be used by business, industrial, government and other
30 organizations in evaluating their own quality improvement

1 efforts; and

2 (iv) providing specific guidance for other
3 organizations in this Commonwealth that wish to learn how
4 to manage for high quality by making available detailed
5 information on how successful organizations were able to
6 achieve eminence.

7 (b) Intent.--It is the intent of this act to provide for the
8 establishment of a State quality improvement program under
9 which:

10 (1) awards are given to selected companies,
11 organizations and government entities in this Commonwealth
12 that practice effective quality management and, as a result,
13 make significant improvements in the quality of their goods
14 or services; and

15 (2) information is disseminated about successful
16 strategies and programs.

17 Section 3. Definitions.

18 The following words and phrases when used in this act shall
19 have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

21 "Award." The Governor's Keystone Quality Award established
22 under this act.

23 "Department." The Department of Commerce of the
24 Commonwealth.

25 "Secretary." The Secretary of Commerce of the Commonwealth.

26 Section 4. Establishment and administration of Governor's
27 Keystone Quality Award.

28 (a) Establishment.--There is hereby established the
29 Governor's Keystone Quality Award, which shall be evidenced by a
30 medal bearing the inscription "Governor's Keystone Quality

1 Award."

2 (b) Administration.--The department shall administer the
3 award and shall, therefore, be ineligible to apply for the
4 award. The department may cooperate with any agency or
5 organization to develop guidelines and criteria for the award,
6 including applications for the award. The department is
7 authorized to enter into contractual arrangements with broad-
8 based nonprofit entities which are leaders in the field of
9 quality management and which have a history of service to
10 society.

11 Section 5. Awards.

12 (a) Presentation of award.--The Governor and the secretary
13 shall annually present awards at such ceremonies as are deemed
14 proper.

15 (b) Award categories.--Separate awards shall be made to
16 qualifying organizations in each of the following categories:

17 (1) Small businesses.

18 (2) Companies or their subsidiaries.

19 (3) Companies which primarily provide services.

20 (4) Government entities, including, but not limited to,
21 State departments and agencies and political subdivisions and
22 agencies.

23 (c) Limitations.--

24 (1) Not more than two awards may be made within any
25 category in any given year.

26 (2) No organization shall be eligible to receive more
27 than one award in a five-year period.

28 (d) Publicity.--An organization to which an award is given
29 and which agrees to assist other organizations in this
30 Commonwealth in improving their quality management may publicize

1 its receipt of the award and use the award in its advertising.

2 Section 6. Criteria for qualification.

3 An organization may qualify for an award only if it:

4 (1) submits the requisite application to the department;

5 (2) permits a rigorous evaluation of the way in which
6 its operations have contributed to improvements in the
7 quality of its goods or services; and

8 (3) meets such requirements that the department deems
9 necessary.

10 Section 7. Board of overseers.

11 The secretary shall appoint a board of overseers for the
12 award process, consisting of at least five persons selected for
13 their preeminence in the field of quality management. The board
14 shall assist in the initial development of guidelines and
15 criteria for the award. Thereafter, it shall meet annually to
16 review the award process and to make suggestions for the
17 improvement of this process. The board shall annually report the
18 results of the award activities to the secretary along with its
19 recommendations for improvement of the process.

20 Section 8. Board of examiners.

21 (a) Selection of members.--A board of examiners shall be
22 selected annually by the secretary after submission of the
23 requisite applications. The board shall consist of no more than
24 50 quality experts, selected on the basis of expertise,
25 experience and peer recognition.

26 (b) Review of applications.--The board shall review the
27 applications submitted by the organizations in each award
28 category and, through a site visit, shall verify the accuracy of
29 the quality improvements claimed. The examination shall
30 encompass all aspects of the organization's current practice of

1 quality management, as well as the organization's provision for
2 quality management in its future goals.

3 (c) Panel of judges.--The board shall recommend award
4 recipients to a panel of judges appointed by the secretary. The
5 panel shall review the findings and recommendations of the board
6 and shall recommend award recipients to the secretary, who shall
7 make the final determination.

8 (d) Award criteria.--The award shall be given only to
9 organizations which have made outstanding improvements in the
10 quality of their goods or services and which demonstrate
11 effective quality management through the training and
12 involvement of all levels of personnel in quality improvement.

13 Section 9. Information and technology transfer.

14 The secretary shall ensure that all program participants
15 receive the complete results of their audits, as well as
16 detailed explanations of all suggestions for improvements. The
17 secretary shall also provide information about the awards and
18 the successful quality improvement strategies and programs of
19 the award-winning participants to all participants and other
20 appropriate groups.

21 Section 10. Funding.

22 The department is authorized to seek and accept gifts from
23 public and private sources to carry out the award program. If
24 additional sums are needed to cover the full cost of the
25 program, the department shall impose fees upon the organizations
26 applying for the award in amounts sufficient to provide such
27 additional sums.

28 Section 11. Report.

29 The department shall prepare and submit to the Governor and
30 the General Assembly, within three years after the effective

1 date of this act, a report on the progress, findings and
2 conclusions of activities conducted pursuant to this act along
3 with recommendations for possible modification thereof.

4 Section 12. Effective date.

5 This act shall take effect immediately.