



CHAPTER II

DESK AUDIT



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2A INTRODUCTION

2A00 CONTENTS OF CHAPTER II

Chapter 2 outlines the procedures to be used in conducting the desk audit portion of the compliance review whether it is conducted in the office or onsite. In a preaward review, the desk audit is normally conducted onsite (also see Section 3C).

2A01 PURPOSE OF DESK AUDITS

Desk audits are a major component of compliance reviews. By careful and systematic review of the documents and materials provided by covered contractors and subcontractors, the Equal Opportunity Specialist (EOS) can begin to determine whether they are complying with relevant provisions of 41 CFR Chapter 60, are not discriminating and are taking affirmative action to ensure equal employment opportunity without regard to race, color, religion, national origin, sex, disability, or status as a special disabled or Vietnam era veteran. Desk audits enable the EOS to review a contractor's compliance with its affirmative action and equal opportunity obligations at a particular establishment, and specifically to:

- (a) Workforce Structure, Personnel Policies and Procedures: Examine the contractor's basic organizational structure, personnel policies and procedures.
- (b) Good Faith Efforts: Identify areas: (1) where there has been a lack of goals progress and further information is needed onsite to evaluate the contractor's good faith effort, including the development and implementation of programs designed to improve opportunities for minorities and women.
- (c) Potential Discrimination: Identify areas for an in-depth investigation of potential discrimination: (1) where minorities and women are underrepresented and concentrated in the workforce; (2) where employment activity has been disadvantageous to minorities or women; and (3) where there may be problems in the compensation of minorities or women vs. others.

2A02 PURPOSE AND PRINCIPLES OF AAPs

Desk audits should be conducted with the following AAP principles as points of reference:

- (a) Equal Employment Opportunity: Equal employment opportunity requires that a contractor eliminate and remedy all discrimination. A contractor's personnel policies and practices must not



discriminate against any persons because of their race, color, religion, national origin, sex, disability or covered veteran status.

- (b) Affirmative Action: An affirmative action program is a set of specific and result-oriented policies and procedures to which a contractor commits itself to apply every good faith effort. The objective of those procedures plus such efforts is equal employment opportunity.
- (c) Completeness, Reasonableness, Acceptability: The affirmative action program will be judged for its completeness, reasonableness, and acceptability.

2A03 RELATIONSHIP TO THE STANDARD COMPLIANCE REVIEW REPORT (SCRR)

The Standard Compliance Review Report (SCRR) and its instructions (Appendix 2A) constitute a framework for conducting the desk audit and developing and implementing an onsite investigative plan. The organization of this Chapter generally parallels that of the SCRR, and it should be read in conjunction with the SCRR instructions.

- (a) Organization of the SCRR: The SCRR is organized into three parts:
 - (1) Part A: Preparation: Part A covers preparation for the desk audit, including such areas as the contractor's past review history, overall EEO trends in its workforce, its organizational structure, and the initial review of its AAP and support data for completeness, reasonableness, and acceptability.
 - (2) Part B: Affirmative Action: Part B summarizes problems with the AAP and support data; provides for analysis of affirmative action progress and identification of areas where additional information is needed to determine good faith effort; and covers implementation of other affirmative action obligations. For each affirmative action problem unresolved at the conclusion of desk audit, the SCRR provides for an onsite plan.
 - (3) Part C: Potential Discrimination: Part C includes review of the workforce analysis for concentrations/underrepresentations, impact ratio analyses, and compensation analyses. For each potential discrimination problem unresolved at the conclusion of desk audit, the SCRR provides for an onsite investigative plan.
- (b) SCRR Potential Discrimination Worksheets: The SCRR also includes a series of Potential Discrimination Worksheets designed to illustrate the steps normally necessary to establish particular types of discrimination. These Worksheets and their instructions are in Appendix A to Chapter 3. Their use, although encouraged, is optional. However, the "Key Factors" highlighted at the beginning of the instructions for each Worksheet must be addressed in an analysis if the Worksheet applies to the type of potential discrimination problem involved. In developing an



onsite plan for the investigation of potential discrimination issues, therefore, the EOS may find it useful to review at least the "Key Factors" for the initial onsite step of data refinement (Worksheets 17-1 and 17-2).

2B PRE-DESK AUDIT ACTIONS

2B00 COMPLIANCE REVIEW INFORMATION SYSTEM (CRIS)

CRIS is used to record basic information about the contractor, to track major review events, and to summarize violations found and remedies obtained. To enter a contractor into CRIS, the Area Office completes CRIS Form 100 and sends it to the Region. The Region then generates a CRIS Form 100a, which is the first page of the SCRR. Full instructions for completing the 100a are given in the CRIS Manual.

2B01 MAINTENANCE OF CASE CHRONOLOGY

The EOS should prepare a case chronology (CC-53; see Figure 2-1) for each compliance review. It should cover events occurring from the date of initial contact with the contractor to the date case closing documents are prepared and approved. All telephone conversations, correspondence and meetings associated with the review should be recorded, indicating the date, nature of contact, person contacted, summary of discussion or actions taken, and EOS' name. Events should be logged in as they occur, since it is difficult to reconstruct these after a review is completed. The case chronology is an integral part of the case file and will be an invaluable tool if enforcement action is necessary. All notes and logs should be legible (preferably typed).

2B02 INITIAL CONTACT WITH CONTRACTOR

- (a) Identifying Information: Identifying information should be obtained by contacting the contractor before the start of the compliance review. The name of the establishment chief executive officer (CEO), the name of the person responsible for preparation /implementation of the AAP, and the correct mailing address for the establishment should be obtained. If the establishment is part of a larger entity, the name of the corporate CEO, the name of the corporate person responsible for Equal Employment Opportunity/Affirmative Action matters, and the correct corporate mailing address should also be obtained. This basic identifying information should be entered on page 2 of the SCRR, along with contract data, labor force information, and the other items specified in the SCRR instructions.



- (b) Representation by Counsel: If the contractor indicates, at this point in the review or later, that an outside counsel or consultant will represent the company, the contractor will be asked to provide written confirmation of representation, including: (1) the representative's name, address and phone number; (2) the scope of the representative's authority (including whether he/she is authorized to negotiate settlement for the contractor); (3) whether all contacts, including routine ones to make appointments or to clarify submitted data or other information, should be made through the representative; and (4) whether all correspondence should be mailed only to the representative or if copies should also be mailed to the contractor. Upon receipt of this written confirmation, contacts and correspondence will be handled accordingly for the duration of the review (unless the contractor specifies a different time period). NOTE: This same written confirmation should be obtained from the contractor if OFCCP is contacted by a person who indicates that he/she represents the contractor.
- (c) Special Circumstances: The EOS should also determine if there is any information which would preclude selection of the contractor for a compliance review (e.g., bankruptcy, debarment, closure of the establishment), or would influence the timing of the review (i.e. vacation shutdown, strike, lock-out, heavy layoffs, etc.).

2B03 SCHEDULING LETTER

The notice used to schedule a compliance review and request the Affirmative Action Program (AAP) and supporting documentation is called a Scheduling Letter (Figure 2-2). This letter will be sent, by certified mail with return receipt requested, to the top official at the contractor's establishment with a copy to the chief executive officer at the corporate address (unless the establishment and corporate office are the same). Scheduling Letters shall be signed by the AOD or FOD. Letters should include the name and telephone number of the EOS who will be conducting the review and/or the appropriate Module Chief.

2B04 FOLLOW-UP CONTACT WITH CONTRACTOR

Within fifteen working days after sending the Scheduling Letter, the EOS should contact the contractor to ensure that the contractor's representatives fully understand the requirements outlined. The EOS should also make sure there have been no special circumstances which may require postponing or cancelling the scheduled review (see 2B02(c) above).

2B05 CONTACT WITH EEOC, STATE AND LOCAL FEP AGENCIES AND VETS

- (a) EEOC and State and local Fair Employment Practices (FEP) Agencies: Simultaneously with the Scheduling Letter, the standard inquiry letter (Figure 2-3) should be sent to the district office of



the EEOC and to State and local FEP agencies, requesting information on complaints filed against the contractor and any other information that may be pertinent to assessing the contractor's EEO posture. If after 15 days no response is received, the EOS should follow-up by telephone.

- (b) Veterans Employment and Training Service (VETS): The EOS must contact the VETS representative at the appropriate State Employment Security office to request information he or she may have which could be pertinent to the review. This contact must be recorded in the case chronology record.

2B06 REVIEW OF COMMUNITY RESOURCE FILES

Each AO or FO should maintain resource files on the communities within its geographic area. For each community, these files should contain at least: (1) basic data on minority/female availability; (2) information on public transportation systems; and (3) identification of local organizations representing covered group members. The EOS should review the resource file for the community where the contractor is located, with particular attention to organizations which can be helpful in evaluating the contractor's compliance posture. If the contractor is located near an Indian reservation, the EOS should contact the reservation's Tribal Employment Rights Council (TERO).

2B07 STANDARD AFFIRMATIVE ACTION FORMATS

If the contractor scheduled for review has an approved Standard Affirmative Action Format (SAAF), the Module Chief should obtain a copy of the format and provide it to the EOS conducting the review. The EOS should become familiar with the provisions of the SAAF, preparatory to evaluating the contractor's AAP.

2B08 REVIEW OF PREVIOUS COMPLIANCE ACTIONS

When scheduling the contractor for a compliance review, the EOS should determine whether the contractor has previously been audited. If so, the EOS should examine at least the previous case file for problem areas, with particular attention to commitments made in a Conciliation Agreement or Letter of Commitment. The EOS also should determine whether the contractor has been subject to an OFCCP complaint investigation and, if so, review the file for any problems identified. Problems in these past compliance actions should be recorded on page 3 of the SCRR. As the review progresses, the EOS should be alert to any indications that past problems have remained unremedied or have recurred.



2B09 INFORMATION ON COMPLAINTS

- (a) Response to the Standard Inquiry Letter: The EOS should carefully examine all information on complaints received from Federal, State, and local agencies in response to the Standard Inquiry Letter. Basic information on these complaints should be entered on page 3 of the SCRR, including the agency with which the complaint was filed, the basis, issue, current status, and the area of the contractor's workforce involved in the complaint.
- (b) Relationship to Desk Audit: The EOS should note any patterns in the types of complaints filed, particularly ones that might indicate potential systemic discrimination problems. For example, there may be a clustering of complaints filed by employees in certain job areas, or by applicants or employees from a particular race, religion, ethnic group, or sex, or by covered veterans or individuals with disabilities. As the review progresses, the EOS should cross reference complaints to potential problem areas identified. For example, there may be indications of lack of good faith efforts, adverse IRA's, and/or concentrations/underrepresentations in areas where complaints have been filed.
- (c) Review of Case Files: Where appropriate, the EOS should contact the appropriate EEOC office or State or local fair employment agency to arrange to review case files as part of the compliance review. This can be useful when, as a result of the desk audit, potential systemic problems are identified in complaint areas.
- (d) Contractor Complaint Information: Upon receipt of the AAP and supporting data, any information provided by the contractor with respect to current or past complaints should be compared to the information received from the agencies. Discrepancies and/or information not provided by the contractor should be noted by the EOS for particular attention during the review.

2B10 RELATIONSHIP OF OFCCP COMPLIANCE ACTIVITIES TO EEO LITIGATION OR COURT ORDERS

If, during the conduct of a compliance review, the EOS finds that the contractor is involved in litigation or is under a court order on EEO matters, he/she should identify the EEO issues involved, the court, the parties, the case name and number, and bring the matter to the attention of the AOD (or FOD, where appropriate). The AOD/FOD, in consultation through channels with the Regional Solicitor's Office, will determine whether there are any limitations which may be imposed on the conduct of the compliance review by the litigation or court order.

2C SUBMISSION OF AAPs FOR DESK AUDIT



2C00 DELAYED RECEIPT OF AAPS

If current AAPs are not received by the 30th calendar day after the contractor received the notification of the scheduled review, the EOS should telephone the contractor to determine whether the AAPs have been mailed. If the contractor advises that they are en route, a reasonable period of time, not to exceed five (5) calendar days, will be allowed for receipt.

2C01 NON-RECEIPT OF EXECUTIVE ORDER AAP

If there is no reason to believe that the AAP is en route, or if an AAP reported en route has not been received at the end of 5 calendar days following the 30th day, a Show Cause Notice should generally be issued (see Chapter 8). However, the regulations at 41 CFR 60-1.26 (a)(2) give the Director, OFCCP the discretion to go directly to administrative enforcement where a contractor refuses to submit an AAP and efforts to conciliate the matter are unsuccessful.

2C02 NON-RECEIPT OF SECTION 503/38 U.S.C. 4212 AAPS

A Section 503 and 38 U.S.C. 4212 AAP may be included in an Executive Order AAP, may be combined in one document, or may be submitted as separate documents. Action to be taken where Section 503 and/or 38 U.S.C. 4212 AAP(s) are not submitted may take either of two forms, depending on circumstances:

- (a) Concurrent Failure to Submit EO 11246 AAP or Submission of Unreasonable EO 11246 AAP: If the contractor failed to submit both an Executive Order AAP and the AAP(s) for Section 503/38 U.S.C. 4212, or if the Executive Order AAP is determined to be an unreasonable submission (see Section 2F below) and no Section 503/38 U.S.C. 4212 AAP(s) was submitted, then the Show Cause Notice being issued for the Executive Order violation will include the failure to submit the Section 503/38 U.S.C. 4212 AAP and offer the contractor a concurrent 30-day period to submit that AAP (see Sections 8B01(b) and 8D00(b) and Figures 8-1 and 8-2).
- (b) Reasonable EO 11246 AAP Submitted: If the contractor's Executive Order AAP has been received and is determined to be reasonable, but no Section 503/38 U.S.C. 4212 AAP(s) was received, the EOS will telephone the contractor to request that the missing AAP(s) be provided. If the materials are received before the end of the desk audit, they will be reviewed for completeness and acceptability (see Sections 2E01 and 2I below) as part of the desk audit. If they are not received before the end of the desk audit, they will be reviewed onsite. If, however, it is determined onsite that the contractor did not have Section 503 and/or 38 U.S.C. 4212 AAPs in place in accordance with the regulations, this will be cited as a major problem, and its resolution addressed in a Conciliation Agreement.



2C03 EVALUATION PERIOD

- (a) General: The EOS should evaluate the contractor's performance (e.g., goals progress, good faith efforts, personnel activity, etc.) for at least the last full AAP year. Current year performance should also be examined if the contractor is six months or more into its current AAP year. For example, if the AAP is established on a calendar year basis, and the compliance review is scheduled for August 1988, the EOS would evaluate the contractor's performance from January 1, 1987 through June 30, 1988 (1/1/87 through 12/31/87 under the prior AAP, and 1/1/88 through 6/30/88 under the current AAP).
- (b) When Discrimination Found: Note, however, that if potential discrimination is found, analysis of personnel activity/policy implementation should be extended to cover the normal liability period (providing coverage can be established during the full normal liability period). The normal liability period for a compliance review is the full two years preceding the date the contractor received the Scheduling Letter. Additionally, where the alleged discrimination involves a continuing violation, the analysis may be extended further (see Chapters 3 and 7).

2C04 TIMEFRAME FOR COMPLETION OF COMPLIANCE REVIEW

The 60-day period for completing the compliance review (refer to 41 CFR 60-60.7) begins when the AAP and support data (whether reasonable or not) are received in the AO/FO. While completion of the review within the 60-day period is not a procedural prerequisite to an enforcement action, substantial effort should be made to complete the review within that period of time. Should it become apparent that a review cannot or will not be completed within 60 days of receipt of the AAP and support data (irrespective of whether a Show Cause Notice has been issued), the EOS should request an extension through his or her Module Chief. All extension requests must be made sufficiently in advance to allow for necessary processing and entry into the CRIS.

2C05 REVIEWS OF CORPORATE HEADQUARTERS, REGIONAL AND DISTRICT OFFICES

- (a) Maintenance of Establishment AAPs: When reviewing corporate headquarters, the EOS should review documentation that the corporation's establishments have developed AAPs.
- (b) Corporate-Level Selection Decisions: The EOS should ensure that the workforce analysis, utilization analysis and goals in the corporate headquarters' AAP include all positions filled by headquarters decision-makers, regardless of where those jobs are physically located. For example, mid- and upper-level management jobs at establishments other than headquarters must be included in the corporate AAP if the selection decisions for those jobs are made at the corporate level.



Where because of informal or fluctuating managerial appointment authorities, the appropriate level for job title placement cannot be clearly or consistently defined, the managerial and other appropriate titles should be placed in the AAP of the highest organizational level where ultimate approval authority may reside. As a result, there may be instances when the majority of mid- and upper-level management and other titles should appropriately be placed in the corporate headquarters AAP, notwithstanding personnel responsibility at intermediate organizational levels. Management should be given substantial discretion in determining proper organizational levels for job title placement provided such placement is not inconsistent with the purpose of this Section.

- (c) Regional or District-Level Selection Decisions: Similarly, if a regional or district office has decision-making authority over positions in a lower-level establishment unit, the regional or district office AAP should include those positions in its workforce analysis, utilization analysis and goals.
- (d) Establishments with Positions Filled by Higher-Level Decision Making: When reviewing establishments which are subordinate to a higher-level establishment in the contractor's organization, the EOS will ensure that all positions in the workforce of the lower-level establishment for which the selection decisions are made at a higher corporate level are excluded from the utilization analysis and goal setting of the establishment under review. Such positions, however, must be shown in the lower-level establishment's workforce analysis (in order that the complete workforce structure of that establishment is readily apparent).

2D INITIAL REVIEW OF AAP AND SUPPORT DATA - GENERAL

2D00 CONTENTS OF INITIAL REVIEW

Upon receipt of an AAP and support data, the EOS should immediately review the material to make sure that it provides an adequate basis for conducting desk audit analyses of both affirmative action and potential discrimination issues. This initial review includes a determination of the completeness, reasonableness and acceptability of the AAP(s) and support data as described in the sections which follow.

2D01 RECORDING RESULTS OF INITIAL REVIEW

The results of this initial review are recorded on page 4 of the SCRR. Where problems are identified, each specific problem should be described on page 9 of the SCRR (Problems with AAP and Support Data), along with the actions the EOS plans to take to resolve it. Where the matter is unresolved at the



conclusion of the desk audit, page 9 will constitute the onsite plan for resolution of AAP and support data problems.

2E REVIEW FOR CURRENCY AND COMPLETENESS

2E00 ACTION WHEN AAP NOT CURRENT

Upon receipt of an AAP for desk audit, the EOS should first determine whether the AAP is current. If it is not, the submission should be treated as if the contractor had failed to submit an AAP. See Section 2C01 above.

2E01 COMPLETENESS

If the AAP is current, the EOS should review the AAP and support data for completeness. To do so, the EOS should first determine whether all materials requested in the Scheduling Letter and itemized listing, including the Section 503 and 38 U.S.C. 4212 AAPs, have been submitted. Then the EOS should determine if the Executive Order and Section 503 and 38 U.S.C. 4212 AAPs contain all ingredients required by the regulations:

- o Executive Order AAP ingredients required by 41 CFR 60-2.11 and 2.13(a) through (j);
- o Required Executive Order support data, including the report of prior year goal progress required by 41 CFR 60-1.40(b) and (c); and
- o Section 503 and 38 U.S.C. 4212 AAP ingredients required by 41 CFR 60-741.6(a) through (f) and 41 CFR 60-250.6 (a) through (f) respectively.

2E02 CENTRAL EXECUTIVE ORDER AAP ELEMENT MISSING

If one or more of the following central Executive Order AAP ingredients is missing, the submission is automatically considered unreasonable and the desk audit should be suspended and a Show Cause Notice issued:

- o A workforce analysis;
- o A utilization analysis, including its component parts of job group formation, availability estimates and, as appropriate, identification of underutilization; and



- o Goals for areas declared underutilized.

If these central ingredients are included, the EOS should then evaluate them for reasonableness.

2F REVIEW OF EXECUTIVE ORDER AAP FOR REASONABLENESS

For a submission to be considered a reasonable effort to meet the requirements of 41 CFR Part 60-2, the central Executive Order AAP ingredients of workforce analysis, utilization analysis and goals development must meet the following standards:

2F00 WORKFORCE ANALYSIS

The submission must contain a workforce analysis which lists all jobs at the establishment by title (not EEO-1 category, job group or some other combination of job titles) and by organizational unit, showing at least total employees, total women and total minorities for each job title.

2F01 UTILIZATION ANALYSIS

In the following components of the utilization analysis, the submission must show:

- (a) Job Groups: An attempt to combine job titles into job groups (defined as one or more jobs with similar content, wage rates, and opportunities).
- (b) Availability Analyses: An attempt to establish separate availability estimates for minorities and for women for each job group.
- (c) Underutilization Determination: A comparison of availability to current incumbency to determine the existence of underutilization.

2F02 GOALS

The submission must show an attempt to establish goals for those job groups identified as underutilized.



2F03 ACTION FOR UNREASONABLE SUBMISSION

If the Executive Order AAP does not meet one or more of these standards for reasonableness, the desk audit should be suspended and a Show Cause Notice issued (see Chapter 8). If the Executive Order AAP is considered reasonable, the EOS should evaluate the submission for acceptability.

2G REVIEW OF EXECUTIVE ORDER AAP FOR ACCEPTABILITY

2G00 GENERAL

Having determined that the elements necessary to proceed with the desk audit--the workforce analysis, utilization analysis and current goals--are included in the contractor's submission and are reasonable, the desk audit proceeds with an evaluation of the acceptability of each required ingredient. The determination of the acceptability of the items listed on page 4 of the SCRР will be limited to the evaluation which can be conducted during the desk audit. This is different from an evaluation of a contractor's implementation of the requirements, which in most instances cannot be determined without further investigation onsite (see Chapter 3).

2G01 WORKFORCE ANALYSIS

An acceptable workforce analysis is one which meets the requirements of 41 CFR 60-2.11(a). It must contain:

- o A listing of each job title, as it appears in applicable collective bargaining agreements or payroll records;
- o In wage rate or salary range order;
- o Within each department or other similar organizational unit, including unit supervision; and
- o Where there are separate work units or lines of progression within the department or organizational unit, a separate listing must be provided.

More specifically:



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- (a) Information by Job Title: Each job title listed must show the total number of persons in the job title, the total number of men and of women, and the total number of men and of women in each of the following groups: Blacks, Hispanics, Asian/Pacific Islanders, and American Indians/Alaskan Natives. All job titles, including managerial job titles, must be listed. Positions which are filled above the establishment level must be included in an establishment's workforce analysis even though they may be included for goal-setting purposes in a corporate or mid-level AAP. In determining whether jobs are listed by title, the EOS should be alert for the use of plurals in job titles; broad, general titles, such as "Manager" or "Machine Operator;" or inclusion of multiple pay ranges for one job title. The presence of any of these suggests that jobs may not be listed by title.
- (b) Wage Rate:
- (1) General: The wage rate or salary range for each job title must be given (although this information may be coded--see (2) below). Titles must be listed in wage rate or range order within department or other similar organizational units. The listing may either be from highest to lowest paid or from lowest to highest paid.
 - (2) Coded Data: Where wage rate or salary range are coded, the contractor must provide the key to the code onsite. Any codes must be consistent across department/unit lines (i.e. a job with a salary code "57" in Department A, pays the same as one coded "57" in Department B) and in wage rate or salary range order within each department or other similar organization unit. Also, the submission should include a list of the codes used in wage/salary order with the highest and lowest codes so labeled.
- (c) Organizational Unit: The organizational units used in the work-force analysis should be identifiable, and should reflect the contractor's organizational structure. If an organizational chart is provided as part of the supporting documentation, it should be compared to the units used in the workforce analysis.
- (d) Lines of Progression: Lines of progression or usual promotional sequences must show the order of jobs in the line through which an employee moves to reach the top of the line. Lines of progression or promotional sequences may be identified from collective bargaining agreements as well as from organizational charts. If this information is not available at desk audit, a final determination of acceptability cannot be made until after the onsite review.

2G02 JOB GROUPS



Job groups, to be acceptable, must consist of a group of jobs having similar content, wage rates, and opportunities.

- (a) List of Titles in Each Group: In order for the EOS to assess job group acceptability, the AAP must include, for each job group, a listing of the job titles which make up that group. If such lists have not been provided, the EOS should immediately contact the contractor and request that such lists be provided for desk audit.
- (b) Criteria for Acceptability: The following criteria are to be used in assessing the acceptability of job groups:
 - (1) Similar work content: Similarity of work content refers to the duties and responsibilities of the job titles which make up the job group. While it is difficult to confirm similarity without reference to position descriptions, some steps can be taken during the desk audit to make at least a preliminary assessment of acceptability of work content. For example:
 - o Appropriate EEO Category: The EOS should review the establishment's job titles that make up each of the job groups to verify they are within the proper EEO-1 categories. Job titles in each job group normally would be within the same EEO-1 category.
 - o Use of Dictionary of Occupational Titles: The Dictionary of Occupational Titles can be referred to, as well as labor agreements, organizational charts, and other data provided by the contractor, in evaluating the manner in which the contractor has formulated job groups. The Dictionary of Occupational Titles lists standard job titles for most positions, and codes them based on their duties, requirements, and other factors. Descriptions of job duties and commonly required qualifications are also given.
 - (2) Similar rates of pay: Pay rates should be reviewed in conjunction with job content. Large apparent differences in pay, when associated with differences in job title and/or location within an organization, suggest an unacceptable job grouping.
 - (3) Similar opportunities: Opportunity refers to the ability to take advantage of training opportunities, transfers, promotions, mobility to desirable wage/salary situations, and other employment benefits. Most often, it refers to upward mobility. Ideally, each job within a job group should offer the same opportunities as any other job title within that job group. As a result:



- o Jobs in Separate Unions: Jobs in separate unions, or jobs in different departments when interdepartmental mobility is impossible, should not be grouped together. For example, nonunion clerical jobs and clerical jobs which are covered by a collective bargaining agreement should not normally be grouped together.
 - o Jobs in Lines of Progression: Jobs that are in lines of progression should be separated from those that are not. Where transfer or hire into jobs above entry level is rare, each line of progression should be analyzed separately. Where there are lines of progression governed by strict seniority, the job titles in lines should be considered as a single job group.
- (c) Job Groups Must Not Obscure Underutilization: Job groups which combine jobs with different content, wages, or opportunities may obscure underutilization and are not acceptable. Any job groups that combine jobs in which minorities or women are concentrated within jobs in which they are underrepresented should be targeted for special scrutiny onsite. Such job groups often unacceptably include jobs with different content, wages, or opportunities.
- (d) Effects of Size of Contractor's Workforce: In assessing the acceptability of the contractor's job groups, the EOS must remember that the size of the contractor's workforce is a major factor in determining how well these three criteria will be met.
- (1) Job Groups Must Permit Meaningful Analyses: Job groups should have enough incumbents to permit meaningful utilization analyses and goal setting. Optimally, if a job group is identified as underutilized, it should be large enough so that a goal of at least one whole person can be established. No minimum size has been established for this purpose, however, since it is dependent not only on the size of the job group, but also on the size of the availability percentage and the number of minorities or women already in the job group.
 - (2) Job Groups Should Not Normally Cross EEO Categories: Because of the minimum size of a contractor subject to written AAP requirements, it may not be possible for any of a smaller contractor's job groups to meet this guideline. While there are usually two or more job groups within each EEO-1 or EEO-6 category, for smaller contractors some or all of their job groups may correspond to those categories. In any event, when job titles are combined to maintain minimal job group size, EEO category lines should not normally be crossed.



- (e) Relationship Between Job Groups and Availability: The organization of jobs into groups allows contractors to tie specific jobs to availability statistics in order to assess the degree to which their own workforce representation approximates availability.

2G03 AVAILABILITY ANALYSIS - GENERAL

- (a) Standard for Acceptability: The reasonable submission test requires only that a contractor make an attempt to develop availability estimates. For the availability analysis to be found acceptable, however, it must contain a proper definition of labor area and must show consideration of each of the eight factors at 41 CFR 60-2.11(b)(1) and (2).
- (b) Principles for Evaluation: In evaluating the acceptability of the availability analysis, the EOS should be guided by two principles. First, the contractor's consideration of each of the factors should reflect its actual recruitment and employment practices. Second, the contractor's recruitment and employment practices should demonstrate the contractor's compliance with its affirmative action and nondiscrimination obligations.
- (c) Professional Judgement: The audit of the availability analysis for acceptability is as much an art as a science. There are no hard-and-fast, "mechanical" methods for evaluating the availability analysis. The EOS must make a professional judgement as to the adequacy of the contractor's analysis. This requires familiarity with the quality and variety of data available, with industry and contractor personnel practices, and knowledge of available recruitment sources.

2G04 AVAILABILITY ANALYSIS - DEFINING LABOR AREAS

- (a) Importance of Labor Area Definition: Six of the eight factors for assessing minority or female availability are tied to the contractor's definition of labor areas. How the contractor defines its immediate labor area determines the data used for population, workforce, unemployment/seeking work, and requisite skills within that immediate area. How the contractor defines its reasonable recruitment area determines the data used for requisite skills within that area. Definition of both these areas, therefore, heavily impacts the results of the contractor's availability analysis. A critical first step in evaluating the contractor's availability analysis is to assess the acceptability of both immediate labor area and reasonable recruitment area.
- (b) Immediate Labor Area: In evaluating the contractor's determination of its immediate labor area, the EOS should consider the following:



- (1) Definition: The immediate labor area is that geographic area from which employees may reasonably commute to the contractor's establishment. It may include one or more contiguous cities, counties or Metropolitan Statistical Areas (MSAs) or parts thereof, in which the establishment is located. For example, it may be defined as the major city in or near which the establishment is located; the county(ies) surrounding the establishment; the MSA in which the establishment is located or which borders the establishment; or a combination of any of the three. (Note, however, that if the contractor chooses to combine figures from more than one area, it must be prepared to provide the raw numbers used to produce the final percentage, since the percentages themselves cannot be added together.) However defined, the immediate labor area is normally the same for all job groups.
- (2) Must Not Underestimate Availability: In reviewing the contractor's definition of immediate labor area, the EOS must ensure that the contractor has not defined that area in a way that underestimates minority or female availability. For example, the definition should not exclude a nearby area with a large minority workforce.
- (3) Commuting Patterns: In assessing the immediate labor area definition, the EOS needs to consider commuting patterns, including the availability of public transportation, approximate normal driving times, etc. in the labor area.
- (4) Relationship to EEO/AA Obligations: The immediate labor area definition should be consistent with the contractor's nondiscrimination and affirmative action obligations. For example, if a contractor's workforce is largely nonminority and it recruits primarily by word of mouth, defining the immediate labor area based on the source of applicants may reflect its actual recruitment practices, but does not meet the contractor's affirmative action obligations (and could, in fact, be found to be discriminatory). Similarly, defining the immediate labor area based on residence patterns of current, nonminority employees, whether as of the time of hire or the time of the review, may also artificially lower availability for minorities.
- (5) Need for Further Investigation: If the EOS disagrees with the contractor's definition of the immediate labor area because it appears to artificially lower the availability of minorities and women, the EOS should investigate further onsite to determine whether the contractor, in fact, does recruit from an area with higher minority/female availability and/or whether the contractor could expand its area to increase the numbers of minority group persons and women in the percentage of available workers. In this evaluation, the EOS, based on his or her review experience, may consider where other nearby employees with similar jobs normally obtain workers.



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- (6) Sources of Data: As noted earlier, immediate labor area data are normally used for factors on population, unemployment/seeking work and workforce. For these factors, the contractor should use the best data available. Resources for this data include the Research Division of each State's Division of Employment Security (DES). This DES Division annually updates data on population, unemployment/seeking work and workforce for its State and for MSAs and counties within its State (See Appendix 2B for other information available from DES). For a discussion of data on requisite skills in the immediate labor area, and considerations in their use, see Section 2G05(e) below.
- (c) Reasonable Recruitment Area: The definition of the reasonable recruitment area is very important in assessing the proportion of minorities and women available for employment. It influences the number or proportion of minorities or women who could—at least theoretically—get through the contractor's door (be hired) if minority group membership and sex were not taken into consideration in employment decisions. In assessing how the contractor has defined reasonable recruitment area, the EOS should consider the following factors:
- (1) Relationship to Immediate Labor Area: The reasonable recruiting area represents the area from which the contractor usually seeks or reasonably could seek workers for a particular job group. It may coincide with the immediate labor area, or it may cover a larger area (state, region, or nation). Thus, while the immediate labor area is normally the same for all job groups, the reasonable recruitment area will vary depending on the types of jobs in the job group.
- (2) Pay and Skill Levels: Generally, the scope of the reasonable recruitment area is closely related to pay, based on the assumption that the more a job pays, the farther people are willing to go to apply for it. Also, because there is often a relationship between pay levels and skill levels, for job groups containing jobs with minimal to intermediate skill requirements, the reasonable recruiting area will often be the same as the immediate labor area. As pay levels and skill requirements increase, however, the likelihood that recruiting will expand beyond the immediate labor area also increases.
- (3) Supply and Demand: In addition to pay and skills, supply and demand plays a part in defining the scope of the reasonable recruiting area. For example, at times when nurses are in short supply, it may be necessary to expand recruitment efforts beyond the immediate labor area. At other times, the supply of nurses available in the immediate labor area exceeds the demand, and may reduce the reasonable recruiting area. Supply and demand can also be influenced by the specificity of skills required by the contractor. For example, while the supply of teachers generally may exceed demand, the demand for teachers with specific skills, such as math or science, may exceed the supply and result in an expansion of the recruitment area. Further, high unemployment in one area may



create a labor surplus which effectively expands the "reasonable recruitment area" elsewhere. For example, when unemployment is high, persons often search for work in a wider area, becoming more willing to either relocate or to commute further to a job than they normally would. As a result, the "reasonable recruitment area" for other areas expands.

- (4) Summary: As a result, while in most instances job groups in the Service Worker, Laborer, Operative, Office and Clerical and retail Sales categories tend to have reasonable recruitment areas which are the same as the immediate labor area, this will not always be the case. Jobs in the Crafts and Technicians categories are often particularly susceptible to supply and demand factors related to level and specificity of skill required. Therefore, while in most instances, such jobs tend to have reasonable recruitment areas which coincide with the immediate labor area, some job groups within the categories may have a broader recruitment area. Similarly, while job groups in the Sales (non-retail), Professional, and Officials and Managers categories usually have reasonable recruitment areas which are larger than the immediate labor area (and often significantly larger, e.g. national), this will not always be the case.
- (5) Sources of Data: See Section 2G05(e) below.

2G05 AVAILABILITY ANALYSIS - EIGHT FACTORS

The contractor's AAP must show, for each job group, consideration of each of the eight factors for minorities and each of the eight factors for women. All factors are expressed as the percentage that minorities or women are among all persons who meet the factor. These factors are as follows:

- (a) The minority population of the labor area surrounding the facility (Refer to 41 CFR 60-2.11(b)(1)(i)): The extent to which this factor is given consideration in determining the final availability factor for a given job group will depend on whether or not that job group contains entry level positions which are filled primarily through outside hire and which require minimal or no prior skills. Job groups which fall into the Service Worker, Laborer, and to some extent, Operatives EEO-1 categories will be more likely to incorporate minority population percent-ages into the final availability estimate than would job groups requiring more specialized skills, such as those falling into the Technician or Professional categories.
- (b) The availability of women seeking employment in the labor or recruitment area of the contractor (Refer to 41 CFR 60-2.11 (b)(2)(v)): The figure used may be based on the percentage that unemployed women are among all unemployed persons in the labor area (41 CFR 60-2.11(b)(2)(i)), since that rate includes only persons actively seeking work; the percentage of



women applying for work at the local unemployment service office in job categories comparable to those in the contractor's job groups; or the contractor's prior year applicant flow for women for that job group. Generally, the highest figure should be used. As with minority population, inclusion of this figure in developing final availability estimates for a particular job group will depend on whether or not the job group is entry level, is filled through outside hire, and requires little or no prior skills or experience. The less skill required, the more consideration this factor should receive.

- (c) The size of the minority/female unemployment force in the labor area surrounding the facility (Refer to 41 CFR 60-2.11(b)(1)(ii) and 41 CFR 60-2.11(b)(2)(i)): The figure used should be the percentage that unemployed minorities (or women) are among all unemployed persons in the labor area. Please note that this is not the same as unemployment rate, which is generally expressed as the percentage of a given group that is unemployed--e.g., the percentage that unemployed minorities are among all minorities in the workforce (employed plus unemployed). As with minority population and women seeking employment, the size of the minority/female unemployment force should receive greater consideration where job groups are entry level, filled by outside hire, and require little or no skill or experience. The factor will receive less consideration where job groups are above entry level, require more skill or are filled solely or primarily through internal placement.
- (d) The percentage of the minority/female workforce as compared with the total workforce in the immediate labor area (Refer to 41 CFR 60-2.11(b)(1)(iii) and 41 CFR 60-2.11(b)(2)(ii)): The percentage of minorities/females in the workforce will have greater applicability for those job groups which draw from a larger recruiting pool (entry level, filled through external hire, and requiring few or no skills). For those job groups which draw from a smaller recruiting pool (those above entry level, with higher skill requirements, and/or filled solely or primarily through internal placement), this factor is likely to have less importance. (Note: The term workforce is used elsewhere in the regulations to mean the incumbent employees of the contractor (e.g., workforce analysis).) However, as used here in the availability analysis, the term workforce is synonymous with the term "labor force" as defined by the Census Bureau and other government agencies--e.g., as those persons in the population, aged 16 and older who are either employed or unemployed (unemployed is further defined as actively seeking employment).
- (e) Requisite Skills:
 - o The general availability of minorities/women having requisite skills in the immediate labor area (Refer to 41 CFR 60-2.11(b)(1)(iv) and 41 CFR 60-2.11(b)(2) (iii));



- o The availability of minorities/women having requisite skills in an area in which the contractor can reasonably recruit (Refer to 41 CFR 60-2.11(b)(1)(v) and 41 CFR 60-2.11(b) (2)(iv));

In assessing these factors, contractors should use the best data available. While the most recent decennial census data normally provide the most detailed information on requisite skills, they become increasingly outdated the more years it has been since the census was conducted. Also, the decennial census shows only persons employed in a given occupation at the time the census was conducted, rather than those with the skills to be employed in that occupation. Therefore, the following adjustments to decennial census data are normally needed:

- (1) Adjustment for Time Since the Last Decennial Census: Some State Divisions of Employment Security continue to publish periodic updates of decennial census data on occupations of persons employed in labor areas within their State. While these updates are often for fairly broad job categories, they provide a reliable means of update for job categories where skills are normally not very specialized (i.e., service workers, laborers, operatives, entry-level clerical, retail sales), and at least an indication of overall trends in job categories where skills often are specialized (see Section 2G05(e) (4) below). Additionally, for job groups which do have legitimate specialized education requirements, any available data on the percentage of minority and/or female graduates at the level (Associates, Bachelor's, etc.) and in the field involved may be used to update census data. Since, in many fields, minority and female enrollment has risen since the last decennial census, these data are often considerably more accurate than the census as a measure of requisite skills for: (1) entry-level jobs which legitimately require a particular level and type of post-high school degree; and (2) such jobs above entry (i.e., with legitimate experience as well as degree requirements), if the data are corrected for the year of degree.
- (2) Adjustment for Employment vs. Requisite Skills: The adjustment discussed immediately above for recent graduates also provides some correction for the census' focus on persons employed in a given occupation when the census was conducted. Additionally, however, care must be taken to ensure that such census data do not, in effect, perpetuate past discrimination against minorities or women in certain occupations and/or outdated "job applied for" patterns. This is particularly important for jobs in which, in terms of basic skill requirements, the availability of minorities and/or women has long been considerably better than their representation--for example, some management, professional and sales training programs in which the major legitimate requirement is a college degree. Similarly, in entry-level blue collar jobs where the contractor provides training--and the major skill requirement, therefore, is "trainability"-- past employment patterns may simply reflect who employers in the area choose to train rather than true



availability (which in this situation should normally approximate labor area workforce representation).

- (3) Match Between Data and Skills: The particular requisite skills classification(s) from which the data are obtained should closely approximate the skills required for performance in the job group. The closeness of the match between data and skills will depend on how much job content varies within the job group and the degree of detail in the source data for requisite skills.
- (i) Varied Job Content: Where job content is quite varied (i.e., a Scientist I job group composed of Chemists and Physicists), the contractor may either refine the job group further, where appropriate, or combine requisite skills data for the two or more types of jobs in the group. Where the data are combined, the contractor should have available the raw numbers from which the average percentage was derived.
- (ii) Degree of Detail in Data: The most refined data available are usually those contained in the most recent decennial census. Detailed census data are available from, among other sources, the National Technical Information Service (NTIS) of the U.S. Department of Commerce (see Appendix 2B). The NTIS's Report #5, "Equal Employment Indicators," contains decennial census information on the employment of minorities and women in 503 job classifications. Data from other sources may be considerably broader. For example, State Divisions of Employment Security that continue to update occupational data usually do so for a limited number of job categories, similar to, but not the same as EEO categories. In the case of either very broad or very refined data, some adjustment may be needed to approximate requisite skills for a particular job group.
- (4) Adjustment for Broad Data: Data based on broad job categories (e.g., "Professionals") may either overstate or understate availability. For example, if the job group consists of engineering titles, using data for "all Professionals" (which includes primary and secondary school teachers) will usually overstate minority and female availability. On the other hand, if the job group is nurses, data on "all Professionals" will substantially understate female availability. Thus, while the contractor may make adjustment for broad data, the EOS should evaluate the direction and degree of adjustment made given the job group involved.
- (5) Adjustment for Narrow Data: Where data based on narrow job categories are used, they may sometimes show no minorities or women for particular job titles (either because there were none at the time the census was taken, or because the actual number was so low as to cause the number to be "suppressed." Where this occurs, contractors should be



encouraged to broaden the area of consideration to include other, related categories, which do show minorities and/or women.

- (f) The availability of promotable and transferable minority/female employees within the contractor's organization (Refer to 41 CFR 60-2.11(b)(1)(vi) and 41 CFR 60-2.11(b)(2)(vi)). This is the percentage of minorities/women who are in feeder job groups and who are (at the start of the AAP year) or who will become (during the AAP year) promotable or transferable from those job groups into the job group under consideration.

In evaluating this factor for acceptability:

- (1) Determine the Accuracy of Feeder Job Groups: The EOS should identify the feeder job groups, if any, from which individuals are, or reasonably could be, promoted or transferred to the job group under consideration.
- o The EOS can determine actual feeder job groups by examining where persons who were promoted or transferred into the job group under consideration came from. This may be done by identifying the previous job group of persons who entered the target job group during the last AAP year and/or--where that activity has been too limited to be representative--through examination of the work histories of persons in the target job group to determine their immediately preceding job group. Feeder groups may also be identified through review of labor agreements and/or written promotion/transfer policies.
 - o The EOS, however, should be observant of any indications that the skills brought by promotees/transferees to the target job group are similarly available in other potential feeder groups, particularly if those other potential feeder groups have substantially better representation of minorities or women. Where this is the case, the contractor should broaden its feeder group definition, consistent with its affirmative action obligations.
- (2) Percentage of Minorities/Women: The contractor may conclude that the percentage of promotable minorities/women in the feeder job groups is approximately equivalent to their representation in those groups. Where, however, there are legitimate seniority or special qualification requirements for promotion/transfer to the target job group, the contractor may identify those persons who are or will become qualified during the AAP year and the percentage that minorities/women represent among those persons (for a discussion of "legitimate" qualification requirements, see Chapters 3 and 7). Where the contractor identifies specific promotable/transferable persons, this can be verified by



identifying the legitimate criteria used in determining who is promotable or transferable, and by reviewing the employment histories of persons in the feeder job groups.

- (3) Relevance of Factor: The importance of this factor will be related to whether the contractor normally fills jobs in the target job group by promotion from within or by hire. Review of employment activity for the prior AAP year will show the proportion of placements which resulted from internal movement as opposed to new hire. Where this activity has been too limited to be representative, the work histories of persons in the target group may be reviewed to determine the proportion who came via promotion or transfer vs. by new hire. In addition, labor agreements often contain rules governing promotion and transfer for jobs in certain sectors of the workforce.
- (g) The existence of training institutions capable of training persons in the requisite skills (Refer to 41 CFR 60-2.11(b) (1)(vii) and 41 CFR 60-2.11(b)(2)(vii)): This may be the percentage of minorities and women enrolled in those educational and training institutions serving the contractor's recruitment needs.
- (1) Sources of Data: Contractors should contact those educational and training institutions with programs which match their employment needs. These can range from local high schools with business or vocational programs through local technical schools to colleges nationwide. Such institutions should be able to provide data on the number and percentage of minorities and women enrolled in programs appropriate to the contractor's employment needs.
- (2) Relevance of Factor: The extent to which the contractor considers this factor will depend on the degree to which new graduates of such programs are or can be utilized in making placements to a particular job group. For example, a contractor filling positions in an entry-level clerical job group may hire new graduates from local high schools and business colleges, but may hire only experienced persons for a non-entry level clerical job group.
- (h) The degree of training which the contractor is reasonably able to undertake as a means of making all job classes available to minorities/women (Refer to 41 CFR 60-2.11(b) (1)(viii) and 41 CFR 60-2.11(b)(2)(viii)): This factor requires the contractor to make an assessment of the number of employees who could, with appropriate training, become promotable or transferable during the AAP year, and to determine what percentage minorities/women constitute of that number.
- (i) Data Used Must Be Accurate: Data used for each availability factor must be accurate and up-to-date. Sources of data must be identified in the AAP.



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- (j) Consideration of Each Factor: The contractor must consider each factor and must explain in its AAP how it has done so. It may not be necessary, however, for the contractor to make each factor a part of any final availability estimate. Only those factors which are relevant to the actual availability of the job group under evaluation need be used. Moreover, contractors may give differential consideration (e.g., by mathematical weighting or by other means) to some or all of the individual factors in determining final availability estimates for each job group. Where a contractor gives such differential consideration to factors, the AAP should specifically identify the weights applied or other methods used. If the AAP contains no explanation of how the contractor has considered each factor, or if an explanation is provided but further investigation and verification is needed (e.g., if the AAP states that certain job groups are filled solely by internal means, and this cannot be verified from the AAP), the EOS should plan to address the matter onsite.
- (k) Summary Guidelines For Audit of Acceptability: In summary, in evaluating a contractor's final availability estimates for acceptability, the following general guidelines can be used:
- (1) Entry Level Jobs, No Special Skills/Experience: For entry level jobs which do not require any special skills or experience, availability for minorities and women should be close to their workforce participation rates;
 - (2) Entry Level Jobs, Some Skills/Experience: For entry level jobs which require some skills (education and/or experience), availability for minorities and women should be at least equal to the requisite skills figure for either the reasonable recruiting area or immediate recruiting area, whichever figure is larger;
 - (3) Jobs Filled Through Internal Means Only: For jobs which are filled solely through internal means, availability should normally be at least equal to the percentage which minorities and women represent in all appropriate feeder job groups.

2G06 IDENTIFICATION OF UNDERUTILIZATION

The regulations at 41 CFR 60-2.11(b) define underutilization as "...having fewer minorities or women in a particular job group than would reasonably be expected by their availability." Contractors are required in the AAP to compare availability to incumbency for each job group, and to identify those job groups which are underutilized. In evaluating the acceptability of the method used by a contractor to determine underutilization, EOSs must ensure that the method used conforms to the requirements of the regulations, that it is appropriate, and that it has been accurately applied.



2G07 GOALS

Having identified a job group as underutilized for minorities and/or women, the contractor must establish employment goals and exert every good faith effort toward meeting them. Such goals must be established separately for minorities and women. In setting goals, the contractor should consider:

- (a) Level of Goals: Goals for an underutilized job group must be at least equal to the percentage availability of minorities or women (as appropriate) for the job group, as determined by a properly developed utilization analysis which considers at least those factors discussed in section 2G05 above (see 41 CFR 60-2.11(b)).
- (b) Goals Are not Quotas: 41 CFR 60-2.12(e) indicates that goals ". . . may not be rigid and inflexible quotas which must be met, but must be targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire affirmative action program work."
- (c) Separate Goals by Particular Minority Group: Where appropriate, separate goals may also be required by particular minority group(s) or by sex within a particular minority group if there is a substantial disparity in the utilization of a particular minority group or of men or women of a particular minority group. Where the EOS identifies such a substantial disparity (see Section 2K01(d) and the instructions for SCRR page 7) and the contractor has not established a separate goal, the EOS will first determine if the disparity represents potential discrimination. If potential discrimination is not found, separate affirmative action goals to eliminate the disparity may be required (see 41 CFR 60-2.12(l)). In order to ensure that such goals are reasonable, they should be based on a separate availability analysis for the minority group (or men or women of the minority group) involved in the job group(s) where the disparity is observed.

2G08 ADOPTING AN EEO POLICY

41 CFR 60-2.13(a) requires that a contractor commit itself, in writing, to a policy of equal employment opportunity in all personnel actions. The policy statement must be in the AAP. It should be signed by the top establishment official and dated. It must be reaffirmed annually. 41 CFR 60-2.20 provides guidance for evaluating the content of the contractor's EEO policy statement.

2G09 DISSEMINATION OF THE POLICY

41 CFR 60-2.13(b) requires that the AAP provide for formal internal and external dissemination of the contractor's policy. To be acceptable, the AAP must address how the policy is disseminated, internally



and externally. 41 CFR 60-2.21 provides guidance for evaluating dissemination of the policy. For example, the AAP may state that the policy is posted in conspicuous places accessible to employees and applicants for employment, and that the policy is discussed with management employees having responsibility for making employment decisions. External dissemination may include notifying recruitment sources, community organizations, subcontractors and labor unions, where applicable, of its policy on equal employment opportunity and affirmative action.

2G10 RESPONSIBILITY FOR IMPLEMENTATION

Under 41 CFR 60-2.13(c), contractors are required to provide for the implementation of the AAP. To be acceptable, the AAP must identify the person who is responsible for implementation of the policy and must describe how the policy is implemented, in sufficient detail for the EOS to be able to audit compliance. Guidance as to the types of actions a contractor may take to implement this requirement is provided at 41 CFR 60-2.22. For example, an EEO officer is central to the success of the affirmative action program, since he or she is responsible for ensuring that the contractor takes steps to implement the AAP. The AAP should identify the EEO Officer by name and/or title, and may describe his or her duties and responsibilities as well as those of line managers with respect to EEO.

2G11 IDENTIFICATION OF PROBLEM AREAS

41 CFR 60-2.13(d) requires that problem areas (or deficiencies) be identified by organizational unit and by job group. 41 CFR 60-2.23 provides additional guidance on some types of self-analyses which contractors may conduct in identifying problem areas. To be acceptable, the AAP must provide evidence that the contractor has addressed the following:

- (a) **Employment Processes**: The contractor must examine its basic employment processes (recruitment, hiring, training, promotion, transfer, termination) to identify any impediments to the full utilization of minorities and women. To do so, in its AAP, the contractor may use any analysis that measures how these processes affect minorities and women. For example, the contractor may use Impact Ratio Analyses (NOTE: Please also see Sections 2H01(a) and 2O04 of this Chapter for the contractor's obligations under 41 CFR Part 60-3 to maintain employment activity data and analyze them for adverse impact. While not a required AAP ingredient, the contractor may choose to use this analysis as a tool for problem identification in this section of its AAP.)
- (b) **Organizational Unit**: The contractor must examine the distribution of minorities and women among its organizational units. To do so, the contractor may use any analysis that identifies any problem areas in such distribution, for example, the contractor may use a Job Area



Acceptance Range (JAAR) type analysis to identify areas of minority or female concentration/ underrepresentation and/or a utilization analysis applied to job groups within such units.

2G12 ESTABLISHMENT OF GOALS AND OBJECTIVES - GOALS BY ORGANIZATIONAL UNIT

41 CFR 60-2.13(e) requires that goals and objectives by organizational unit as well as job group be established to correct identifiable deficiencies. Goals by organizational unit, however, refer to action-oriented efforts rather than percentage goals. Where problem areas by organizational unit have been identified in accordance with 41 CFR 60-2.13(d), the AAP must include a description of the efforts which the contractor has taken or will take to correct those problem areas. This corrective action may be addressed in the AAP section on Development of Action-Orientated Programs (below), and may include goals for the improvement of recruitment efforts, dissemination of additional information on job openings (e.g., pay, opportunities, duties), encouraging transfers and promotions, creating training opportunities, etc.

2G13 DEVELOPMENT AND EXECUTION OF ACTION-ORIENTED PROGRAMS

41 CFR 60-2.13(f) requires the development and execution of action-oriented programs to correct identified problem areas and to attain established goals and objectives. 41 CFR 60-2.24 provides suggested standards which the EOS can use to assess the contractor's compliance with this requirement. For example, the contractor may commit to increasing the number of qualified minorities and women in the appropriate candidate pool, since with more women and minorities in the candidate pool, the logical outcome, absent discrimination, is an increase in the number of minorities and women hired, promoted, etc.

- (a) Contractor Responsibility: It is the contractor's responsibility to both develop and execute action-oriented programs. However, it is the EOS' responsibility to make a professional judgement as to:
 - (1) Specificity: Whether the action-oriented programs are sufficiently specific and result-oriented to accomplish the aims for which they were created; and
 - (2) Execution: Whether the action-oriented programs were properly executed.
- (b) Specific Action-Oriented Programs: A specific action-oriented program is one that indicates what the action is, who will accomplish it, how it will be accomplished and when it will be accomplished. An action-oriented program without any one of these ingredients cannot be considered specific. Action-oriented programs designed to increase candidate pools can be



developed in two stages, (1) steps to be taken immediately to develop internal pools and to establish a link with potential external pools; and (2) steps to be taken each time a vacancy occurs in an underutilized area.

- (c) Results-Oriented Programs: A results-oriented action program is one tailored in such a way that proper execution will result either in an increase in the minority group/female representation in the job group, if vacancies occur, or clear documentation of contractor action sufficient to constitute good faith effort. An action-oriented program that does not meet this standard cannot be considered results-oriented.
- (d) Acceptability of Action Items: The AAP's action items must be sufficient, if implemented in good faith, to ensure that each of its specific objectives and the overall intent of equal employment opportunity are achieved.

2G14 INTERNAL AUDIT AND REPORTING

41 CFR 60-2.13(g) requires the contractor to design and implement internal audit and reporting systems which measure the effectiveness of its total affirmative action program. This system must be detailed in its AAP. The system must permit adequate monitoring of progress made toward goal accomplishment and implementation of other affirmative action commitments.

- (a) Guidelines for Assessing Acceptability: The regulations at 41 CFR 60-2.25 provide guidance for assessing the acceptability of a contractor's internal audit and reporting system. An acceptable audit and reporting system is one which allows the contractor to measure the effectiveness of its total program. Such a system should include specific procedures for monitoring goals progress and analyzing employment activity.
- (b) Monitoring Goals Progress: Since utilization and availability analyses are conducted by job group, and where problems are identified, goals are established by job group, monitoring of goals progress should be at least by job group. The importance of effective internal audit and reporting systems in goal areas is further underscored by 41 CFR 60-1.40(c), which requires that the results of the AAP shall be compiled annually (see Section 2H00 below).
- (c) Monitoring Personnel Activity: Audit and reporting systems should also monitor personnel activity (e.g., hires, promotions/transfers, terminations, and other activity) at least by job group and, where appropriate, by organizational unit. The regulations at 41 CFR 60-1.40(b) require that a contractor's analysis include hiring practices, upgrading, transfer and promotion for the past year.



- (d) Information to be Maintained: The regulations at 41 CFR 60-3.4 and 60-3.15A require that contractors with 100 or more employees: (1) maintain and have available for each job, records sufficient to disclose the impact of the selection process for that job on women and on each minority group for whom EEO-1 reporting is required; and (2) conduct adverse impact analyses for women and for each minority group that constitutes 2% or more of the relevant labor area or of the applicable internal workforce. Where a contractor determines that a selection process has an adverse impact, evidence of validity, as described in 41 CFR Part 60-3 must also be maintained and made available. Contractors with fewer than 100 employees must maintain the records set forth in 41 CFR 60-3.15A(1)--e.g., the number of applicants and persons hired, promoted and terminated by sex and by each minority group (as defined in (d)(1) above) which constitutes 2% or more of the labor force in the relevant labor area. Such small employers, however, are not required to conduct adverse impact analyses of these data. See further discussion under Sections 2H01(a) and 2O04 below and in Questions and Answers Nos. 82-88 of Adoption of Questions and Answers to Clarify and Provide a Common Interpretation of the Uniform Guidelines on Employee Selection Procedures.

2G15 SEX DISCRIMINATION GUIDELINES

The regulations at 41 CFR 60-2.13(h) require that the AAP contain evidence of the contractor's compliance with the Sex Discrimination Guidelines at 41 CFR Part 60-20. The requirements of the Executive Order are deemed to preempt any State or local laws restricting the employment of women. See 41 CFR 60-2.31 and 41 CFR 60-20.3(f).

To be acceptable, the AAP must address each of the required subitems listed in the regulations; specifically 41 CFR 60-20.2 through 60-20.6. The contractor should delineate in the AAP how each subitem is being implemented. These subitems include, but are not limited to:

- (a) Conditions of Employment (Refer to 41 CFR 60-20.3, 60-20.4, 60-20.5 and 60-20.6): A contractor must not make a distinction based on sex in conditions of employment. Where State laws provide special minimum wages, overtime pay, or brief rest periods for women, these benefits must also be given to men. In addition, contractors may not use these laws as bases for refusing to hire women or for limiting their hours of work, etc. AAPs must provide for the elimination of any policies, procedures, or working conditions inconsistent with the requirement of equal treatment.
- (b) Distinctions Based on Marital Status (Refer to 41 CFR 60-20.3(d)): Any distinction between married and unmarried persons must apply equally to both sexes. For example, a contractor cannot refuse to hire women with young children unless it applies the same exclusionary policy to men.



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- (c) Bona Fide Occupational Qualification (BFOQ) (Refer to 41 CFR 60-20.3(b)): A contractor must consider women as well as men for all jobs, unless sex is a bona fide occupational qualification (BFOQ). Under Title VII, sex has been found to be a BFOQ for a job only in extremely rare instances. Among these have been:
- (1) Authenticity: Jobs involving a need for authenticity or genuineness, such as actors or models.
 - (2) Personal Privacy: Jobs where the performance of essential job elements would entail substantial invasion of personal privacy (for example, a permanent restroom attendant). This is limited to situations where the normal operation of the contractor's business depends on the employee being of the same sex as its employees or customers and there is no other way that privacy could be ensured. **IMPORTANT: This is different from customer preference.** For example, a contractor cannot refuse to hire female salespersons in the belief that they will not be as well accepted by customers as males.
- (d) Employment Opportunities (Refer to 41 CFR 60-20.3(b), 3(c) and 5(b):
- (1) Hazardous Jobs: A contractor may not exclude women from a job it may believe is dangerous or unsuitable for women to perform unless sex is a BFOQ (see Section 2G15(c) above).
 - (2) Reproductive Hazards: OFCCP follows Title VII principles when determining whether a policy excluding women from a job because of a concern about reproductive hazards is discriminatory. If a question relating to reproductive hazards arises during a compliance review, the EOS should consult, through appropriate channels, with the Regional Solicitor's Office.
- (e) Wage Discrimination (Refer to 41 CFR 60-20.3(c) and 41 CFR 60-20.5(a) and (b)): A contractor must compensate employees without regard to sex. The most obvious form of wage discrimination occurs when men and women are paid different wages for performing the same jobs, or jobs which are substantially equal.
- (f) Employment Advertising (Refer to 41 CFR 60-20.2(b)): A contractor's advertisements in newspapers or other media must not express a sex preference unless the job is one for which sex is a BFOQ (see Section 2G15(c) above). The placement of ads in columns headed "male" or "female" (or "male interest" or "female interest") or which otherwise indicate an orientation with regard to sex is considered an expression of preference, limitation, or specification based on sex and is prohibited.
- (g) Employee Benefits: Refer to discussion of this issue in Chapter 3.



(h) Maternity Leave: Refer to discussion of this issue in Chapter 3.

2G16 SUPPORT OF COMMUNITY ACTION PROGRAMS

The AAP must address the contractor's active support of local and national community action programs and community service programs which are designed to improve the employment opportunities of minorities and women, as required by 41 CFR 60-2.13(i). The regulations at 41 CFR 60-2.26 provide guidance on the types of activities which demonstrate active support of local and national community action and community service programs. Among these are the appointment of key members of management to serve on the boards of such organizations, and active participation in programs for youth sponsored by the National Alliance of Businessmen. To be acceptable, the AAP should identify the programs supported, and indicate the type of support (i.e., personnel, equipment, etc.) given to local and national programs designed to improve employment opportunities for minorities and women. The EOS should be familiar with the types of programs available, both locally and nationally. The types of programs, and the degree of support provided, should be consistent with the nature of the problems identified in the AAP, and may form a component part of the contractor's organizational goals and development of action programs.

2G17 CONSIDERATION OF MINORITIES AND WOMEN NOT CURRENTLY IN THE WORKFORCE

The regulations at 41 CFR 60-2.13(j) require that the AAP address the contractor's consideration of minorities and women not currently in the workforce having requisite skills who can be recruited through affirmative action measures. To be acceptable, the AAP should specify the contractor's involvement with programs which facilitate the employment of minorities and women. Programs offered by the contractor could include providing part-time employment, flexible hours (flexitime) or dependent care benefits, as well as participating in high school or college co-op programs, particularly with educational institutions with significant minority and/or female enrollments.

2H REVIEW OF EXECUTIVE ORDER SUPPORT DATA FOR ACCEPTABILITY

2H00 REPORT ON GOALS

41 CFR 60-1.40(c) requires that the contractor prepare a report of results of its prior year AAP. This report is part of the support data for the AAP, and is requested on the itemized listing enclosed with the Scheduling Letter (Figure 2-2a, paragraph f). The listing requests summary data and information



indicating the numerical and other results of affirmative action goals for each job group for the current year and for the preceding year. For each goal not attained (prior year) or not being attained (current year), the contractor is requested to describe its good faith efforts. Prior year data should always be submitted, unless the contractor was not previously covered by 41 CFR Part 60-2; current year data should be provided at least where the contractor is six months or more into its current AAP year at the time it receives the Scheduling Letter.

- (a) Data Required: As noted above, the contractor must provide summary data indicating the numerical results of affirmative action goals for each job group.
- (1) Information on Job Groups with Goals: To measure results of goals, one must first know for which job groups goals were established and what those goals were. The contractor's current AAP submitted for desk audit will show this information for current year goals. Where the contractor's report on prior year goals does not specifically state what the prior year goals were, the EOS will contact the contractor and request that a copy of the goals section of its prior year AAP be forwarded to permit evaluation of prior year goals progress.
- (2) Information on Placements into Job Groups with Goals: Since an annual goal is established in terms of a percentage placement rate, evaluating progress towards it requires knowledge of the total number of placements into the job group and the number of minority or female placements, as appropriate. If the contractor's progress report does not give this information or gives it only in part (i.e., the number of minority/female but not total placements, etc.), the EOS will determine if the information can be extracted from the contractor's submission of personnel activity data. If it cannot be so extracted, the EOS will contact the contractor and ask that it forward a copy of reports on goals progress prepared under its internal audit and reporting systems (41 CFR 60-2.13(g)) and/or, if the contractor employs 100 or more persons, a copy of the underlying data it used for its adverse impact determinations on hires, promotions and any other placements into job titles within the job group (see Section 2H01(a)(2) below).
- (b) Good Faith Effort: Where the contractor's report does not describe its good faith efforts in a job group where a goal was established but not attained, or does not describe those efforts in sufficient detail for the EOS to evaluate their adequacy, the EOS will include the job group as part of the onsite plan for evaluation of good faith effort (SCRR page 11).

2H01 PERSONNEL ACTIVITY DATA

The itemized listing enclosed with the Scheduling Letter requests information on personnel activities (e.g., selection--applicant flow and hiring, promotion and transfer, and terminations) for the prior and



current "goal" (AAP) years. The listing requests that the data be provided by race (meaning by each minority group for whom EEO-1 reporting is required) and sex for each job group, but permits a contractor to submit the information "...in the form in which it is available."

- (a) When Data Are Not Submitted: If, in response to the Scheduling Letter, the contractor does not submit any personnel activity data, or does not submit data for one or more of the activity elements of applicants, hires, promotions or terminations, a Show Cause Notice should be issued.
- (1) If a Show Cause Notice is being issued at desk audit for other reasons (e.g., see Sections 2C01 and 2F), the failure to submit the activity data will be included in that Notice.
 - (2) If the only reason a Show Cause Notice is being issued is failure to submit the activity data, see Chapter 8, Figure 8-3.
- (b) Regulatory Citations:
- (1) General Data Requirements under the Uniform Guidelines on Employee Selection Procedures (41 CFR Part 60-3): 41 CFR 60-3.4(A) requires that each contractor "... maintain and have available for inspection records or other information which will disclose the impact which its . . . selection procedures have upon the employment opportunities of persons by identifiable race, sex, or ethnic groups. . ." Such identifiable groups are defined by 41 CFR 60-3.4(B) as those groups for whom EEO-1 reporting is required--i.e., Blacks, Hispanics, Asian/Pacific Islanders, American Indians/Alaskan Natives--along with Whites and totals.
 - (2) Data Requirements under 41 CFR Part 60-3 for Contractors with 100 or More Employees*: Contractors with 100 or more employees are more specifically required by 41 CFR 60-3.15A(2) to maintain and have available records for each job on applicants, hires, promotions and terminations (and any other selection decisions) by sex and by each minority group for whom EEO-1 reporting is required (also see Sections 2G14 (d) and 2O04(a)).
 - (3) 41 CFR Part 60-2 Requirements: In addition to the basic recordkeeping requirements in 41 CFR 60-3.4 and 60-3.15, the requirements discussed earlier in this Chapter that the AAP identify problem areas (41 CFR 60-2.13(d)) and include internal audit and reporting systems (41 CFR 60-2.13(g)) may be cited because they cannot be acceptably implemented without maintenance and analysis of the basic data on employment activity required by 41 CFR 60-3.4 and 60-3.15. Failure to submit specific types of employment activity may be cited as follows:



- (a) Applicant Flow and Hires: 41 CFR 60-2.12(m) requires that the AAP contain, as part of the supporting data,

*Simplified recordkeeping requirements for employers of under 100 persons are described at 41 CFR 60-3.15A(1), and summarized in 2G14(d). They are not reiterated here because OFCCP only occasionally reviews supply and service contractors with under 100 employees.

applicant flow data and applicant rejection ratios (hiring IRAs) indicating minority and sex status. Such applicant rejection ratios cannot be computed without data on hires by minority group and sex. Also, 41 CFR 60-1.40(b)(2) requires that the AAP contain an analysis of hiring practices for the past year (including recruitment sources and testing).

- (b) Promotions (Transfers, Upgrading Generally): 41 CFR 60-1.40(b)(3) requires that the AAP include an analysis of upgrading, transfer, and promotion for the past year.

(c) Review of Data Submitted for Acceptability

- (1) Data Format: To be acceptable for desk audit, the data must be presented either by job group (as requested in the Scheduling Letter) or by job title (as required by 41 CFR Part 60-3; see Section 2H01(b)(1) and (2) above. If data are submitted in some larger aggregation than job group, see Section 2H01(d) below. For example, data by total workforce are not acceptable, nor are data by EEO category, unless a category legitimately constitutes a job group at the particular establishment (see Section 2G02).
- (2) Information to be Included: For each job group or job title, support data in each major area (applicant flow, hires, promotions and terminations) must include at least: the total number of actions, the total number of actions for women, and the total number of actions for each minority group (as specified in 2H01(a)(1) above). For example, applicant flow for a job group or job must include at least total applicants, total female applicants and total applicants of each minority group; hires for a job group or job title must include at least total hires, total female hires and total hires of each minority group, etc.
- (3) Period To Be Covered: Generally, the longer the period covered the better, because the data are more likely to reflect the contractor's usual way of operating. At minimum, however, the data must cover the prior AAP year and, if the contractor is six months or more into its current AAP year when it receives the Scheduling Letter, the data must also at least cover the first six months of the current AAP year.



- (d) Action When Data Are Unacceptable: If employment activity data are submitted, but are not acceptable (are, as noted immediately above, in aggregations larger than job group; are not provided by sex and/or by each minority group, etc.), the EOS should call the contractor and request that the appropriate changes be made and the data resubmitted within 10 calendar days. If, at the end of 10 calendar days, the data have not been received in a form that is acceptable, a Show Cause Notice should be issued which itemizes the regulatory sections with which the contractor has been found in violation. (See Section 2H01(b)(1) and (2) and Figure 8-4.)

2I REVIEW OF SECTION 503 AND 38 U.S.C. 4212 AAP(S) FOR ACCEPTABILITY

2I00 GENERAL

As with an Executive Order AAP, the determination of the accept-ability of items listed on page 4 of the SCRR for Section 503 and 38 U.S.C. 4212 AAPs is limited to the evaluation which can be conducted at desk audit. This is different from an evaluation of the contractor's implementation of these items which normally is done onsite (see Chapter 3). Additionally, the Section 503 and 38 U.S.C. 4212 regulations require a number of contractor actions that, while they need not be addressed in the AAP (although most contractors choose to do so) must be carried out. These additional requirements are covered on SCRR page 13, which is normally completed onsite.

2I01 ITEMS TO BE INCLUDED

The regulations at 41 CFR 60-741.5(a) require that a Section 503 AAP set forth the contractor's policies, practices, and procedures in accordance with 41 CFR 60-741.6. To be acceptable, a contractor's Section 503 AAP must address at least those items listed in 41 CFR 60 741.6(a) through (f). Similarly, the regulations at 41 CFR 60-250.5(a) require that a 38 U.S.C. 4212 AAP set forth the contractor's policies, practices and procedures in accordance with 41 CFR 60-250.6. Therefore, to be acceptable, a contractor's 38 U.S.C. 4212 AAP must address at least those items listed in 41 CFR 60-250.6(a) through (f). Since these items--(a) through (f)--are similar in both regulations, they are discussed together below (where there are differences, it is pointed out).

2I02 POLICY STATEMENT (Refer to 41 CFR 60-250.4(a) and 250.6(a) and 41 CFR 60-741.4(a) and 741.6(a).)



Contractors are required to take affirmative action to employ and advance in employment qualified special disabled veterans, veterans of the Vietnam era, and individuals with disabilities. The contractor must affirm its commitment to this affirmative action requirement by incorporating it in a policy statement included in its AAP(s).

2I03 REVIEW OF PERSONNEL POLICIES FOR PROPER CONSIDERATION OF QUALIFICATIONS (Refer to 41 CFR 60-250.6(b) and 41 CFR 60-741.6(b).)

To be acceptable, the AAP(s) must affirm that the contractor has reviewed its personnel processes to determine whether its present procedures ensure careful, thorough, and systematic consideration of the job qualifications of known individuals with disabilities, special disabled veterans, and Vietnam era veterans who are applicants for job vacancies filled by employment or promotion, and for all training opportunities offered or available.

- (a) Use of Appendices B and C: The procedures described at 41 CFR Part 60-250, Appendix B and/or 41 CFR Part 60-741, Appendix C may be utilized in fulfillment of this requirement. Those procedures describe how the applications or personnel forms of covered veterans and persons with disabilities may be annotated regarding consideration for employment opportunities.
- (b) Additional Requirement Under 41 CFR Part 60-250: 41 CFR 60-250.6(b) also requires the contractor to limit its consideration of a covered veteran's military record to only the portion of that record which is relevant to the specific job qualifications for which the veteran is being considered. This should be affirmed in the AAP.
- (c) Adequacy of Present Procedures: If the contractor asserts that its present procedures are adequate, this is acceptable if the EOS' investigation shows that individuals with disabilities and covered veterans are afforded hire, promotion and training opportunities.

2I04 PHYSICAL AND MENTAL QUALIFICATIONS (Refer to 41 CFR 60-250.6(c)(1) and 41 CFR 60-741.6(c)(1).)

The AAP must contain the contractor's schedule for the review of all physical and mental job qualification requirements.

- (a) Scheduled Review: To be acceptable, the AAP must either affirm that the review of physical and mental job qualification requirements has been completed, or provide a specific time schedule by which jobs are to be reviewed. Where the AAP indicates that the review has been completed, the contractor is not required to review those physical and mental job qualification requirements



again unless there is a change in working conditions. The AAP should state, however, that where there is such a change in working conditions--for example, through increased automation--the requirements will be reevaluated.

- (b) Job-Relatedness of Physical and Mental Qualifications: The AAP must affirm that physical or mental job qualification requirements, to the extent that such requirements tend to screen out qualified individuals with disabilities or qualified special disabled veterans, shall be related to the specific jobs for which such individuals are being considered, and shall be consistent with business necessity and the safe performance of the job (refer to 41 CFR 60-250.6(c)(2) and 41 CFR 60-741.6(c)(2)).
- (c) Confidentiality of Information: To be acceptable, the AAP must affirm that whenever the contractor inquires into an applicant or employee's physical or mental condition or conducts a medical examination prior to employment or change in employment status, information obtained as a result will be kept confidential, except as otherwise provided for in the regulations (see 41 CFR 60-250.6(c)(3) and 41 CFR 60-741.6(c)(3)).

**2I05 REASONABLE ACCOMMODATION TO PHYSICAL AND MENTAL LIMITATIONS
(Refer to 41 CFR 60-250.6(d) and 41 CFR 60-741.6(d).)**

Contractors are required to make reasonable accommodation to the physical and mental limitations of individuals with disabilities and special disabled veterans, unless the contractor can demonstrate that such accommodation would impose an undue hardship on the conduct of its business. In determining the extent to which a contractor is obligated to make accommodations, such factors as business necessity and financial costs and expenses may be considered. To be acceptable, this section of the AAP must contain the contractor's policy with respect to reasonable accommodations. That statement must be consistent with the requirements of the regulations.

2I06 COMPENSATION (Refer to 41 CFR 60-250.6(e) and 41 CFR 60-741.6(e).)

In order to address this requirement in an acceptable manner, the AAP must affirm that, in offering employment or promotion to individuals with disabilities, special disabled veterans, or veterans of the Vietnam era, the amount of compensation offered is not reduced due to their receipt of any disability income, pension or other benefit received from another source.



2I07 OUTREACH, POSITIVE RECRUITMENT, EXTERNAL DISSEMINATION OF POLICY
(Refer to 41 CFR 60-250.6(f) and 41 CFR 60-741.6(f).)

An acceptable AAP must affirm that the contractor reviews its employment practices, and must at least state that appropriate outreach and positive recruitment activities are undertaken where indicated by the findings of such reviews. The AAP may also describe in some detail the steps taken by the contractor in its review of employment practices and the resulting outreach and recruitment activities. 41 CFR 60-250.6(f) and 41 CFR 60-741.6(f) provide additional guidance in assessing the acceptability of this part of the contractor's AAP(s).

2I08 ADDITIONAL AAP INGREDIENTS

The following additional ingredients should be included in the contractor's Section 503 and 38 U.S.C. 4212 AAP(s):

- (a) Internal Dissemination of Policy (Refer to 41 CFR 60-250.6(g) and 41 CFR 60-741.6(g)): The AAP should address the contractor's procedures for internal dissemination of its affirmative action policy. The regulations cited above provide examples of the types of activities contractors may take in this area (e.g., contractors may conduct meetings with executive, managerial, and supervisory personnel to explain the intent of the policy and to delineate individual responsibility for its implementation, include the policy in internal publications, etc.).
- (b) Responsibility for Implementation (Refer to 41 CFR 60-250.6(h) and 41 CFR 60-741.6(h)): The AAP should identify the person(s) responsible for implementing the contractor's policy with respect to individuals with disabilities and covered veterans and should describe his or her responsibilities. It should also describe the responsibilities of line management in carrying out the policy. The regulations cited above provide further guidance in this area.
- (c) Development and Execution of Action Programs (Refer to 41 CFR 60-250.6(i) and 41 CFR 60-741.6(i)): The AAP should include a description of the specific action programs which have been developed and implemented by the contractor. The regulations cited above provide guidance on types of action programs. While the action programs described are guidelines, not requirements, they do provide a means by which the contractor's efforts to comply with its affirmative action and equal employment opportunity obligations, as described in the AAP(s), can be evaluated.



2J SUMMARY OF PROBLEMS WITH AAP AND SUPPORT DATA AND DEVELOPMENT OF ONSITE PLAN

Problems identified with the completeness, reasonableness and/or acceptability of the AAPs and support data are checked on page 4 of the SCRR, and the specific problem described on SCRR page 9. For each such problem, actions taken at desk audit to resolve it and/or actions planned for onsite are described.

2J00 ITEMS RESOLVED AT DESK AUDIT

Some problems with the AAP(s) and support data may be resolved at desk audit after further contact with the contractor. For example, if the problem were "Can't evaluate job group acceptability because there is no information on what job titles are in each group," the entry may be "Called J. Smith 5/1/88 and asked him to send a list of titles in each group. List received 5/8/88."

2J01 ITEMS TO BE RESOLVED ONSITE - ONSITE PLAN

Other items will only be resolvable onsite, and an onsite plan for each should be briefly described. For example, if the problem were "Minority availability for Foremen group appears low given minority % in blue collar area," the entry may be "Determine how foreman jobs filled. If internally, examine incumbents' files to identify feeder jobs." If a problem has not been resolved by the conclusion of desk audit, the column labeled "Onsite?" on SCRR page 9 is checked. These checked items constitute the onsite plan for resolving AAP and support data problems.

2K OVERVIEW OF PERSONNEL ACTIVITY, EEO TRENDS AND WORKFORCE STRUCTURE/PERSONNEL PRACTICES

2K00 PERSONNEL ACTIVITY (SUMMARY)

Page 5 of the SCRR provides an overview, by EEO-1 category, of personnel activity during the prior year. A summary of data on hires, promotions and terminations should be abstracted from the data provided by the contractor, and entered on the page. A similar report, using a substitute SCRR page, can be prepared from EEO-6 data for educational institutions. This information, used in conjunction with historical data analyzed through the EEO Trend Analysis (below) provides a broad framework for later detailed review by job group of affirmative action progress (placement goals) and potential discrimination



in employment activity (Impact Ratio Analysis). Also, because this information is by particular minority group, it can be used in conjunction with the EEO Trend Analysis (below) to identify any potential problems for a particular minority group.

2K01 EEO TREND ANALYSIS

An initial assessment of the contractor's workforce and utilization trends can be made by reviewing EEO-1 reports. Page 6 of the SCRR is a Worksheet for entry of EEO-1 data and page 7 provides for a narrative evaluation of those data.

- (a) Long-Term, Short-Term: Current AAP data are compared with: (1) the contractor's profile approximately five years ago (drawn from the earliest data on the current EEDS report) to look at long-term trends; and (2) that profile approximately one year ago to look at short-term trends. An alternate SCRR page 6 is available for use with EEO-6 data (which are reported on a two-year cycle) for university reviews. This information provides an overview of:
 - o The distribution of jobs within the contractor's workforce (white-collar, blue-collar, predominant EEO categories);
 - o The direction of change in the total workforce and particular categories (expanding, contracting, stable); and
 - o Whether minority and female representation has been increasing or decreasing, and in what areas.
- (b) Changes Due to Reclassifications: If the EOS observes major changes in the sizes of EEO categories (p. 6) with little or no corresponding activity (p. 5), further investigation onsite may be needed to determine if the changes are due to the reclassification of jobs with concentrations of minorities or women from one EEO-1 category to another. For example, suppose the total number of positions in the craft category increases from one year to the next and indicates an increase in women. Over the same time period, however, both the total number of operative positions and the total number of women listed as operatives decreases. The EOS may then infer that the increase in crafts may have resulted from the contractor's changing the EEO-1 category of the women's jobs, rather than from genuine promotions.
- (c) EEO Category Patterns: This analysis also permits identification of broad areas where minorities/women have been persistently underrepresented or concentrated, setting a framework for the detailed review of the workforce analysis for potential discrimination problems and review of the contractor's goals progress by job group.



- (d) Particular Minority Group: Additionally, this analysis permits identification of any substantial disparity in the representation of a particular minority group--whether in the workforce as a whole or in certain categories--when compared to the distribution of particular minority groups in the contractor's labor area and/or in possible internal feeder categories. Where such a disparity is identified, the EOS should plan to conduct standard discrimination analyses by the particular minority group, at least in those workforce areas where the disparity exists and for the type of activity most likely to have created the disparity. For example, if Hispanics are well represented in the labor area, but have historically been absent from the contractor's workforce, the EOS should plan to conduct hiring IRAs separately for Hispanics. Or, if Blacks have historically been concentrated in Laborers, but poorly represented in Operatives and Crafts: (1) the EOS' review of the workforce analysis should focus on the types of jobs held by Blacks and any structural impediments to upward mobility from those jobs; and (2) the EOS' blue collar IRAs--particularly for promotions and hires into jobs above Laborers--should be conducted separately for Blacks. Further discussion of such separate discrimination analysis for a particular minority group is given at Sections 2N00 and 2O02 below. Please also note that if investigation of such a disparity does not show discrimination, the EOS should consider whether goals and/or specific affirmative action steps for the particular group are warranted (see Section 2G07(c) above).

2K02 WORKFORCE STRUCTURE, PERSONNEL PRACTICES

In the initial review of the AAP and support data, the EOS evaluated the workforce analysis for reasonableness and acceptability. As a result, the EOS should have a basic understanding of the contractor's organization and operations. For example, the workforce analysis should show whether the contractor's facility is organized by department or other unit (e.g., division), whether lines of progression exist, how pay is structured, and other characteristics which may prove useful for subsequent analyses of both affirmative action and potential discrimination issues. Other supporting data which may be provided with the AAP, such as copies of labor agreements, should provide additional information regarding pay rates, work performed, organizational structure, and rules for internal mobility, at least in the blue collar sector. This information, to the extent that it is available during the desk audit, should be entered on page 8 of the SCRR.

2L GOALS PROGRESS AND GOOD FAITH EFFORTS

A contractor's compliance posture is not measured by whether it met all its goals, but rather whether it made a good faith effort to do so. Generally, however, if properly determined goals in a job group were met, further examination of good faith effort with respect to that job group is unnecessary. Therefore, in order to focus the investigation of good faith effort, the following steps are taken: (1) measure the degree



of progress in job groups where goals were established and opportunities occurred; (2) evaluate the contractor's resulting overall goals performance; and (3) identify areas where specific additional information is needed in order to evaluate good faith effort.

2L00 ANALYSIS OF GOALS PROGRESS

As noted earlier, to be acceptable, AAP support data must include a report of progress on prior AAP year goals. Also, a report of progress on current goals should be included at least if the contractor is six months or more into its current AAP year when it receives the Scheduling Letter. This report should be used to conduct the analysis of goals progress on page 10 of the SCRR.

- (a) Data Needed: To conduct this analysis, first the EOS must identify the job groups for which goals were established at the beginning of the period under review. Second, the percentage placement goal for each such group must be determined. Third, for each such job group, the number of total placements and the number of minority and of female placements must be determined. If this information has not been submitted for desk audit (see Section 2H00 above), the EOS will conduct the analysis below at whatever point in the review sufficient information is obtained.
- (b) Analysis: The analysis itself takes into consideration the number of opportunities in relationship to the goal. More specifically, the percentage placement goal is multiplied by the number of placements that actually occurred to determine how many minorities/women would have been placed if the goal were met. This result is then compared to the number of minorities/women who actually were placed, and the difference--plus or minus--entered.

EXAMPLE: If the contractor set a goal of 10% for minorities in XYZ job group and had 20 openings, the goal would have been met if it placed 2 minorities (.10 X 20). If the contractor actually placed one minority, the difference would be "-1." On the other hand, if it actually placed five minorities, the difference would be "+3."

If the contractor established a goal for a particular minority group or for men or women of a particular minority group (see Section 2G07(c) above), the evaluation of progress on that goal is conducted in the same fashion as in the above example. See the SCRR instructions for page 10 for further examples.

- (c) Net Change: SCRR page 10 also has an optional part II on Workforce Change, which provides for entry of data on job group incumbency (total, women and minorities) at the beginning of the period and at the end of the period, and determination of net change (plus or minus). This information may be useful in identifying job groups where, although there has been progress in



placements, there has been little or no improvement in minority and/or female representation (this can be for either positive or negative reasons--i.e., disproportionate promotions out, terminations, etc.). It can also help the EOS to focus on anomalies in the contractor's data, such as increases in job group size without evidence of placement activity.

2L01 EVALUATION OF GOOD FAITH EFFORT

- (a) Overall Performance: In evaluating the contractor's good faith effort, an overall assessment of its goals/affirmative action performance should first be made (SCRR page 11, part I). For example, was there progress in most areas where goals were established? In areas with little progress, are there any balancing factors such as strong performance in similar but higher level jobs? For example, little progress in Operatives II, but progress well above expectations in Operatives III. Were there performance problems in areas with poor long-term trends (SCRR page 6)? This evaluation should also take into account fulfillment of AAP commitments and the quality of those commitments in terms of creative problem-solving to remove any impediments to minority/female utilization over both the long and short term.
- (b) Goal Areas Needing Further Examination for Good Faith Effort: As a result of the above evaluation, identify any goal areas which need further evaluation for good faith effort (SCRR page 11, part II). For each such goal area, review any contractor description of good faith efforts pertinent to the area. This should be presented as part of the contractor's report on goals. Also use the AAP and support data to try to identify the probable reason for lack of progress and the type of AAP action items that would be pertinent. For example, do the support data on employment activity show that the jobs were filled predominantly by hire or by promotion? If by hire, was there low applicant flow? What AAP commitments did the contractor make on recruitment efforts? Is there any evidence they were fulfilled? If jobs were filled primarily by promotion, was there an adequate representation of minorities/women in probable feeder groups? What AAP commitments did the contractor make concerning the promotion process (job posting, encouraging bidding, training, etc.). Is there any evidence they were fulfilled?

2L02 ONSITE PLAN FOR EVALUATION OF GOOD FAITH EFFORT

For each goal area where there is insufficient desk audit information to determine good faith effort, list (on SCRR page 11a, part II) the additional information needed. For example, in a Clerical I job group there may have been no goals progress for minorities, and low applicant flow appears to be the reason. The AAP may state that a particular agency would be used to recruit minority applicants for the Clerical I job group. The additional information needed here may include contact with the agency to confirm its use by the contractor (as well as other action, such as identifying additional recruitment sources while onsite).



If questions concerning good faith effort in a job area have not been resolved by the conclusion of desk audit, the "Onsite?" column on SCRR page 11 is checked. These checked items form the onsite plan for this portion of the review.

2M POTENTIAL DISCRIMINATION ANALYSES - GENERAL

2M00 TITLE VII PRINCIPLES

It is OFCCP policy, in conducting analyses of potential discrimination issues under the Executive Order, to follow Title VII principles.

2M01 USE OF TERM "MINORITIES"

The term "minorities" means those four groups for which EEO-1 reporting is required--i.e. Blacks, Hispanics, Asians/Pacific Islanders and American Indians/Alaskan Natives. As used in these instructions for desk audit potential discrimination analyses, "minorities" may mean those groups in the aggregate or individually, depending on the characteristics of the labor area and/or on patterns in the contractor's workforce. In general, where there is an observed disparity in the representation of a particular minority group, standard desk audit potential discrimination analyses will be conducted separately for that group. See further discussion of this matter under EEO Trend Analysis, Review of Workforce Analysis and Impact Ratio Analyses below.

2N REVIEW OF THE WORKFORCE ANALYSIS

2N00 GENERAL

An understanding of how employees obtained their jobs, the effects of seniority, rules for promotion and transfer, etc., is necessary in order to understand how the contractor's employment system works. Patterns of minority and female employment must be examined, and apparent disparities (e.g., where they are or are not employed in departments, progression lines, job titles, and other relevant job areas) identified for further investigation onsite. For example, men may supervise work units which are composed predominantly of women; or, a job title may be composed predominantly of minorities in one department, and predominantly of nonminorities in another. Such disparities may indicate discriminatory



placement or promotional practices or other Executive Order violations. The results of the review of minority and female employment patterns is summarized on page 14 of the SCRR.

2N01 MINORITY GROUP ANALYSIS

If the EOS' review of the contractor's EEO category data (SCRR page 7) showed substantial disparities in the representation of a particular minority group in the workforce as a whole or in distribution among EEO categories, the review of the workforce analysis should focus on that minority group, at least in those workforce areas where the disparity was observed. For example, if category data showed that Blacks were concentrated in Laborers, poorly represented in Operatives and absent in Crafts, the EOS' review of the workforce analysis should specifically identify the types of blue collar jobs in which Blacks are employed, whether these jobs fall into lines of progression or departments/units that tend to inhibit progression to Operatives and Crafts, etc. Even where such disparities are not observed in the initial category screen, where the labor area has high representation of more than one minority group and/or the general employment patterns in the industry involved have differed among minority groups, in reviewing the workforce analysis the EOS should be alert for any indications of potential problems in the distribution of the particular minority groups.

2N02 UNDERREPRESENTATIONS AND CONCENTRATIONS

In examining patterns of minority group and female employment, the EOS is looking for evidence of concentrations and underrepresentations.

- (a) Concentration: The term concentration means that minority groups and/or women are found in a particular section (job area) of a contractor's workforce (however that section is defined) in numbers substantially greater than would be expected in terms of their overall representation in the contractor's workforce, or in a relevant sector (however defined) of that workforce.
- (b) Underrepresentation: The term underrepresentation means the opposite--that minority groups and/or women are found in a particular section of a contractor's workforce in numbers substantially fewer than would be expected in terms of their overall representation in the contractor's workforce or relevant sector of that workforce.
- (c) Interpreting Results: The identification of a concentration or underrepresentation does not mean that discrimination has been found. It is only an indicator that further investigation is warranted.



2N03 DETERMINING THE RELEVANT WORKFORCE SECTOR AND JOB AREAS

- (a) Relevance of Other Information: In determining the relevant workforce sector and job areas for the analysis, the EOS must be guided by the findings of the desk audit up to this point. For example, the information obtained from the EOS' earlier analysis of EEO trends (SCRR, page 7) can assist in identifying areas, by EEO-1 category, which may show persistent minority or female representation above or below comparable availability; or, as discussed in 2N00 above, the EOS may have identified a substantial disparity in the representation of a particular minority group. Information derived from the earlier review of the organization of the contractor's workforce and personnel practices (e.g., internal mobility, pay structure), (SCRR, page 8) may be helpful in making further comparisons.
- (b) Workforce Sector/Job Area - General: In determining the relevant sector of the contractor's workforce with which minority group or female representation in a particular job area is to be compared (e.g., blue collar, white collar, clerical, the entire workforce, or even job group), the EOS should remember that there should be a reasonable expectation that, absent discrimination, minorities/ women would be fairly evenly distributed among the job areas within the sector. That expectation is high when (1) entry-level jobs in the sector share similar qualification requirements; and (2) jobs above entry-level in the sector are filled primarily by promotion. The expectation gets progressively lower as entry-level jobs in the sector become more differentiated in skill requirements (since it becomes more likely that minority/female availability will differ) and/or jobs above entry are filled predominantly by hire.
- (c) Relationship to Particular Contractor: An appropriate definition of the workforce sector is, therefore, related to the particular contractor's structure, legitimate skill needs and personnel practices. In general, analyses that focus on where minorities/ women are located organizationally (which departments, units, lines of progression, etc.) will tend to identify potential placement problems. Analyses that focus on the level at which minorities/women are employed (concentrated in lowest level jobs within an LOP, department, etc.) tend to identify potential promotion problems (that may, in turn, be related to placement). For example:
- (1) Workforce as Sector/Departments as Job Area: Where there are departments or organizational units with largely similar qualifications for entry-level positions (e.g., unskilled and, to a more limited extent, semi-skilled, in blue-collar; undifferentiated trainee jobs in white-collar), representation in each department may be compared to representation in the total workforce of all such departments.
- (2) Workforce as Sector/Lines of Progression as Job Area: Where there are lines of progression (LOPs) or usual promotional sequences that cut across department lines and have similar entry-level requirements, representation in each LOP may be compared to representation in the total workforce of all such LOPs.



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- (3) Department as Sector/LOPs within Department as Job Area: Where there are separate lines of progression and/or usual promotional sequences within a department or similar organizational unit, representation in each LOP may be compared to their representation in the department as a whole.
- (4) Department as Sector/Jobs within Department as Job Area: In the absence of LOPs or usual promotional sequences, where jobs within a department are usually filled by promotion from within--or might reasonably be filled in such a manner based on the nature of the jobs involved and the training which the contractor could reasonably be expected to offer (e.g., on-the-job training)--representation in a particular job area within that department may be compared to representation in the department as a whole.
- (5) EEO Category as Sector/Type of Job as Job Area: It can be useful to compare representation in an EEO category or job group against distribution within titles in that category/ group. For example, in an Office and Clerical category, women may be concentrated in General Clerical positions, but underrepresented in Production and Material Control clerical jobs.
- (6) Lines of Progression as Sector/Jobs in LOP as Job Area: A line of progression or usual promotional sequence--particularly one with a large number of incumbents--may also be treated as a "sector," and minority/female representation in the LOP compared with their representation in jobs at different levels in the LOP.
- (7) Job Title as Sector/Job Title within Department as Job Area - Where a job title--particularly one with a large number of total incumbents--appears in several departments, representation in the title as a whole can be compared with representation in the title in each department.
- (d) Applicability to Both White-Collar and Blue-Collar Jobs: These analyses can be applied to both white collar and blue collar situations. In all cases, the EOS should ensure that the sector of the contractor's workforce which is used as a basis for comparison with a particular job area is, in fact, relevant. Particularly in the white collar area, differences with respect to factors such as education or skills may make establishing a basis for comparison difficult. However, where it appears that the majority of a white collar workforce consists of highly specialized jobs (an engineering firm, a scientific research laboratory), it is generally best to separate clerical positions from other white collar jobs when defining the base of comparison.
- (e) Defining "Substantially": Once the job area and the relevant workforce sector have been selected, the next step is to identify those job areas which have "substantially" more or fewer minority-ties and/or women than would reasonably be expected by their representation in the



workforce sector selected. These are the job areas which will be investigated further onsite. The term "substantially" as used here, however, cannot be so precisely defined as to fit all cases. In identifying job areas for further investigation, EOSs must be guided by common sense, reasonableness, and the nature of the information available up to that point. In some instances, areas of minority group/female concentration and underrepresentation will be readily apparent from review of the workforce analysis. In others, there may be a need for more precise identification of potential problem areas. One method which may be used to identify job areas for further investigation onsite is the Job Area Acceptance Range (JAAR).

- (f) Use of the Job Area Acceptance Range (JAAR): The JAAR is a formula which may be used to determine whether a particular job area represents an area of concentration or underrepresentation for minorities and/or women. There is an optional SCRR Worksheet for using the JAAR.
- (1) Relationship to "80% or four-fifths" Rule of Thumb: The JAAR is based on the "80% or four-fifths" rule of thumb, similar to that used in identifying whether a selection rate for a particular group represents an adverse impact in selection (see Impact Ratio Analyses below). For the JAAR, the assumption is that the percentage representation of minorities and/or women in a particular job area will normally fall in a range plus or minus 20% of their representation in the relevant base workforce sector.
 - (2) Computing the JAAR: To find this range, therefore, the percentage of minorities or women in the base sector is multiplied by .20 and the result is added to and subtracted from the percentage of minorities or women in the base sector. For example, if the broad sector had 50% minorities, the JAAR range would be found by multiplying 50% \times .20, and the result, 10%, would be subtracted from and added to 50% for a JAAR range of 40% to 60%.
 - (3) Applying the JAAR: The minority/female percentage in each job area within the base sector is then compared to the range. If the percentage in a job area falls below the range (in the example, less than 40%), the area is considered underrepresented; if it exceeds the range (in the example, more than 60%), the job area is considered concentrated.
- (g) Role of Recent Personnel Activity Data: Employment data shown in the workforce analysis represent a cumulative record of past employment activity. Data summarized in Impact Ratio Analyses (IRAs, below) represent more recent employment activity. As a result, in determining which job areas should be investigated further onsite, EOSs should give a high priority to areas in which recent employment activity appears to mirror the effects of prior activity. For example, there may be adverse IRAs for placement into job groups in areas where minorities and/or women are underrepresented.



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- (h) Recording Results: When, as a result of the review of the workforce analysis, job areas exhibiting concentrations and underrepresentations are identified for further investigation onsite, this information is entered on page 17 of the SCRR, and an onsite plan developed for their investigation. This plan may include a request for the contractor's adverse impact determinations for job titles in concentrated/underrepresented areas. Such information may assist the EOS, in onsite analysis of potential placement problems, in determining whether there has been activity and of what type during the normal liability period, etc. See Section 2O04(a) below and Chapters 3 and 7.

20 AUDIT OF PERSONNEL ACTIVITY - IMPACT RATIO ANALYSES

2000 DEFINITION

The Impact Ratio Analysis (IRA) is a method for identifying personnel activity which should be investigated further onsite. The IRA is a ratio between two selection rates, one for minorities or women, and one for others. Generally, a selection rate for minorities or women which is less than 80% of the selection rate for nonminorities or men, as appropriate, for a particular personnel activity (e.g., hiring, promotion, termination) should be investigated further during the onsite. Although related, adverse IRAs should not be confused with the term "adverse impact." Refer to Chapter 7, Section 7E01, for a definition of the latter term.

2001 CALCULATING THE IRA

Page 15 of the SCRR provides a Worksheet for conducting impact ratio analyses. The Worksheet is used to compute IRAs for hiring, promotions, and terminations, and may be adapted to compute IRAs for other data the contractor may provide (e.g., training, transfers, etc.).

- (a) Selection Rates: The first step in calculating the IRA is to find the selection rate for minorities or women and the selection rate for others.
- (b) Focus on Unfavorable Selection Rate of Minorities/Women: The next step is to compare the selection rate for minorities/women to the rate for others. As a matter of administrative discretion in compliance reviews, OFCCP will focus on situations in which the selection rate for minorities or women is less favorable than the rate for others.* For positive actions, such as hires or promotions, this will be where the minority or female rate is lower; for negative actions, such as terminations, it will be where the minority or female rate is higher.



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- (c) Finding the Impact Ratio: Consistent with (b) above, the IRA is calculated when the selection rate for minorities or women is less favorable. Therefore, for positive personnel actions the IRA is found by dividing the lower minority or female rate by the rate for others. The IRA for negative personnel actions is found by dividing the rate for others by the higher minority or female rate.
- (d) Number of Persons Potentially Affected: For adverse IRAs, the SCRR Worksheet referenced above provides an additional calculation to determine how many minorities or women are potentially affected. This information may be useful in setting investigative priorities. See Appendix 2A for detailed instructions for using the Worksheet.

*The EOS should be aware, however, that sometimes a more favorable rate for minorities or women may indicate "channeling" into different--and perhaps, less favorable--jobs than others.

2002 MINORITY GROUP ANALYSIS

If the EOS' review of the contractor's EEO category data (SCRR page 7) showed substantial disparities in the representation of a particular minority group in the workforce as a whole or in distribution among EEO categories, IRAs should be conducted for that group(s) separately, at least for those workforce areas where the disparity was observed and for activity elements likely to have contributed to the disparity. For example, if category data showed that Hispanics were persistently absent from the workforce, all hiring IRAs should be conducted separately for Hispanics. Or, in an example used earlier (2N00), where Blacks were concentrated in Laborers, poorly represented in Operatives and absent from Crafts, IRAs for blue collar job groups--particularly for promotions and hires into Operatives and Crafts--should be conducted separately for Blacks. Even where such disparities are not observed in the initial category screen, where the labor area has high representation of more than one minority group and/or the general employment patterns in the industry involved have differed among minority groups, in reviewing the contractor's activity data preparatory to conducting IRA analyses, the EOS should be alert for any indications of potential problems in selections of particular minority groups.

2003 PROPER USE OF THE IRA

It is important to remember that an adverse IRA is only a preliminary indicator of a potential discrimination problem. It is not proof, in and of itself, of discrimination, or of the existence of an affected class. For example, an adverse IRA in a job group may have been computed using an



insufficiently refined candidate pool. Only further investigation onsite can determine whether discrimination has occurred.

2004 IRA SUMMARY AND ONSITE PLAN

Where adverse IRAs are identified, and further investigation is needed, the EOS should describe the problem on SCRR page 17 (Summary of Potential Discrimination Problems) and indicate that will be needed onsite to determine whether the adverse IRA represents apparent discrimination.

- (a) Contractor Adverse Impact Determinations (Contractors with 100 or More Employees):
- (1) Maintenance of Records: As noted earlier in the discussion of the acceptability of support data, the Uniform Guidelines on Employee Selection Procedures at 41 CFR 60-3.4 and 60-3.15 require contractors with 100 or more employees to maintain records by job title sufficient to disclose the impact which its selection procedures (including hiring, promotion and termination) have on the employment opportunities of women and on each minority group for whom EEO-1 reporting is required.
 - (2) Analysis of Impact: The Guidelines at 41 CFR 60-3.4 and 3.15(A)(2) also require that contractors with 100 or more employees annually analyze these data to determine whether the total selection process for each job is having adverse impact. These determinations are required by sex and for each race/national origin group (e.g., Black, Hispanic, Asian/Pacific Islander, American Indian/Alaskan Native) which constitutes 2% or more of the labor force in the relevant labor area or 2% or more of the applicable workforce (i.e. for jobs filled internally).
 - (3) Requesting Contractor Determinations: When the EOS has identified a job group with an adverse IRA, and the contractor employs 100 or more persons, the contractor should be requested to furnish (at desk audit or onsite) its relevant adverse impact determinations for the job titles which fall within the job group. For example, if the adverse IRA is for female hires into a Administrative Professionals job group, the contractor should be asked to submit its adverse impact determinations for the hiring of women in each title within the Administrative Professionals group. This will assist the EOS in determining whether the IRA does or does not need to be refined before investigating further (see Chapter 3). The EOS may also request the contractor's adverse impact analyses in other areas. For example, review of the workforce analysis may have shown concentrations/underrepresentations that suggest a potential placement problem. Job group activity data, however, may not show placements into the titles of concern, and the EOS could request the contractor's adverse impact analyses for hires, promotions and transfers into those titles. Where appropriate, the EOS may also ask to review the



contractor's adverse impact analyses generally and/or may ask the contractor to identify those jobs where its analyses showed adverse impact.

- (b) Need for Information about the Selection Process: The EOS should also plan to obtain the contractor's description of how employment decisions are made for positions in the job group, including the steps in the process and, for each step, the decision makers, criteria used and a description of how they are used, and records maintained. Steps may include, for example, review of application forms by personnel, written tests, formal or informal interviews, physical examinations, or on-the-job tests. The EOS should plan to verify the contractor's statements through review of records, interviews with applicants and/or employees, and, if possible, observing the process by which applicants are screened and selected.
- (c) Multi-Component Selection Processes - Contractor Obligations:
- (1) Adverse Impact in Total Selection Process: Where the contractor's adverse impact analyses are requested (per 2004(a) above) and submitted for desk audit, if the analysis shows adverse impact in the total selection process for a job, 41 CFR 60-3.4 and 60-3.15(A)(2) require the contractor to evaluate the components of the total selection process for adverse impact. Therefore, in a multi-step and/or multi-criterion selection process with adverse impact, the EOS should plan to request the contractor's records showing at what step(s) and/or by what criterion (ia) minorities or women are being disproportionately screened out.
- (2) No Adverse Impact in Total Selection Process: If the total selection process for a job does not have an adverse impact, a contractor would not normally be expected to evaluate the individual components for adverse impact or to validate those components, and enforcement action would not normally be taken based on a component.
- (i) Special Circumstances: In some circumstances, enforcement action may be taken based on an individual component which has an adverse impact (e.g., height and weight requirements) that cannot be justified based on job relatedness or business necessity.
- (ii) Relationship of "Bottom Line" to Individual Complaints of Discrimination: The "bottom line" standard with respect to adverse impact does not mean that complaints alleging discrimination caused by a component of a selection process will not be investigated. However this standard may be applied in an exercise of administrative discretion on whether to file an enforcement action. See Question and Answers Nos. 25 and 26 in Adoption of Questions and Answers to Clarify and Provide a Common Interpretation of the Uniform Guidelines on Employee Selection Procedures.



2P COMPENSATION ANALYSES

2P00 GENERAL

While reviewing the workforce analysis for potentially discriminatory placement patterns, the EOS should be especially alert to potential disparities between the wages or salaries shown in the under-represented areas as compared to those in areas of concentration. For example, the same or similar job titles may appear in both areas, but show different wage rates or salary ranges, with the higher wages/salaries shown in those areas where minorities, members of a particular minority group or women are underrepresented.

2P01 WAGE AND SALARY DATA

As noted earlier in the discussion regarding the reasonableness of a workforce analysis, coded salary data are acceptable for desk audit purposes. However, the workforce analysis (wage coded or not) must show titles in wage rate order within each department or similar organizational unit and the coding must be consistent across departments/units. Therefore, when a workforce analysis contains alpha or numeric codes for salary designations, a salary analysis may still be conducted by assigning numeric equivalents to the codes (1 to the lowest code, 2 to the second lowest, etc.) and averages computed. Where potential problems are identified, the areas should be flagged for further investigation onsite. Actual salary information and/or the keys to the codes for flagged areas should be obtained from the contractor at that time.

2P02 IDENTIFICATION OF JOB TITLES FOR COMPARISON

During the desk audit the EOS should also identify specific job titles which are held by both minorities (or members of a particular minority group) and nonminorities, or both women and men, for onsite comparison of actual salaries.

2P03 METHODS USED TO DETERMINE PAY

The EOS should also plan to review onsite how starting pay levels (wage or salary) are established, and how raises (wage or salary) are determined.



2Q SUMMARY OF POTENTIAL DISCRIMINATION PROBLEMS AND ONSITE INVESTIGATIVE PLAN

2Q00 FOCUS ON PROBLEM

While potential discrimination can be divided into problems identified through analysis of personnel activity (IRAs), and problems identified in the review of the workforce analysis (e.g., JAAR, Compensation analyses), and/or problems highlighted by complaints, the focus should be on the problem itself. Potential discrimination problems which have been identified during the desk audit on pages 3 (Past Problems/ Known Complaints), 14 (Results of Review of Workforce Analysis), 15 (Impact Ratio Analyses), and 16 (Compensation and Other Analyses) of the SCRR, should be summarized on page 17 of the SCRR. As noted above, the focus is on the problem itself, which although it may have been identified through more than one analysis, need be listed only once (e.g., an area of minority concentration with an adverse IRA for minority promotions out of the area).

2Q01 ONSITE PLAN

For each such potential discrimination problem, the EOS describes an onsite investigative plan. This plan should be as specific as possible, and should set priorities for the documents to be gathered, the statistical data needed, the people to be interviewed, and the materials to be reviewed while onsite. For example, if the compensation analysis identified job titles for salary review, the onsite plan should state that the personnel files of a specific number of minorities/women and a specific number of others in the identified job title(s) will be reviewed for actual salary information. If the IRA indicates a potential problem in minority hires into a particular job group, the procedures to be followed (persons to interview, applications and personnel files to be reviewed, information to be obtained) should be described.

2R PREPARING FOR THE ONSITE

2R00 DECISION TO GO ONSITE

Based on the results of the desk audit, the EOS must decide whether further investigation onsite is warranted. However, in most cases an onsite review will be necessary, because even where potential problems in personnel activity or the workforce are not identified during the desk audit, many contractor commitments contained in the AAP cannot be evaluated without an onsite inspection, corroborating



interviews, etc. Preparation for the onsite phase of the review is therefore a necessary part of virtually every compliance review.

2R01 SCOPE OF ONSITE

If, at the end of desk audit, the EOS determines that an onsite review is appropriate, that review will cover: (1) problem areas identified during desk audit and unresolved at the conclusion of desk audit; and (2) examination of the contractor's implementation of pertinent AAP items and of those regulatory obligations not specifically required to be included in the AAP(s). Refer to Chapter 3 of this Manual for a complete discussion of onsite activities.

2R02 ONSITE PLAN - RESULTS OF DESK AUDIT

The onsite plan is based primarily on the findings obtained as a result of the desk audit. These findings fall into two categories, affirmative action and potential discrimination.

- (a) Affirmative Action: Affirmative action can be further subdivided into two areas, written AAP and supporting data, and goal attainment and good faith efforts.
 - (1) Written AAP and Supporting Data: Problems identified in the written AAP and supporting data, were described on page 9 of the SCRR and, for each such problem, actions taken at desk audit to resolve it and/or actions planned for onsite were described (see Section 2J above and SCRR Instructions). If a problem is not resolved by the conclusion of desk audit, the column on SCRR page 9 labeled "Onsite?" is checked. These checked items constitute the onsite plan for resolving AAP and support data problems.
 - (2) Goals Progress and Good Faith Efforts: Specific job groups/ areas where additional information is needed to assess good faith effort were summarized on SCRR page 11, part II. For each such goal area, the specific information needed to resolve the question of good faith effort was listed (see Section 2L02 above and SCRR Instructions). If a question of good faith effort is not resolved at the conclusion of desk audit, the column on SCRR page 11 labeled "Onsite?" is checked. These checked items constitute the onsite plan for resolving good faith effort issues.
- (b) Potential Discrimination: Specific potential discrimination problems (whether identified through the workforce analysis, IRAs, complaints or some combination of these) were entered on page 17 of the SCRR. For each such potential problem, an investigative plan was developed, giving the



specific information needed to determine whether discrimination had occurred (see Section 2Q above and SCRR Instructions). If a potential discrimination problem is not resolved at the conclusion of desk audit, the column on SCRR page 17 labeled "Onsite?" is checked. These checked items constitute the onsite plan for resolving potential discrimination issues.

- (c) Summary: The onsite plan, therefore, consists of checked items in the "Onsite?" columns on SCRR pages 9, 11 and 17 in the major review areas of AAP and support data problems, questions of good faith effort, and potential discrimination issues. These items, together with an examination of the contractor's implementation of the AAP(s) and of the non-AAP areas discussed below, will direct the onsite review.

2R03 OTHER ONSITE INGREDIENTS - GENERAL

The onsite review also covers the contractor's implementation of Executive Order AAP commitments generally, and specifically must address implementation of:

- o The Guidelines on Religion and National Origin and Sex Discrimination (SCRR page 12);
- o Section 503 and 38 U.S.C. 4212 affirmative action/nondiscrimination requirements (SCRR page 13); and
- o Technical requirements (SCRR optional Technical Requirements Worksheet).

2R04 IMPLEMENTATION OF GUIDELINES ON RELIGION AND NATIONAL ORIGIN AND SEX DISCRIMINATION GUIDELINES

- (a) Guidelines on Religion and National Origin: These Guidelines, at 41 CFR Part 60-50, are not a required AAP ingredient under 41 CFR 60-2.13. The contractor's implementation of them, therefore, must be evaluated onsite. Chapter 3, Section 3G provides detailed guidance on conducting this aspect of the onsite review.
- (b) Sex Discrimination Guidelines: While these Guidelines, at 41 CFR Part 60-20, are a required AAP ingredient and will have been evaluated for acceptability (See 41 CFR 60-2.13(h) and Section 2G15 above), the contractor's implementation of them must be evaluated onsite. This evaluation should include a review of the contractor's maternity leave policy (which may not have been submitted for desk audit) and its implementation as discussed in Chapter 3. In addition, although not specifically mentioned in the Guidelines, sexual harassment (as well as harassment on the basis of race, national origin or religion) is a violation of the Executive Order. During the



onsite, the EOS should be alert for any indications of such harassment. OFCCP follows Title VII principles in determining whether sexual harassment has occurred. Further guidance in this area will be issued.

- (c) Recording Results: The evaluation of both Guidelines is entered on SCRR page 12. Particular attention should be directed to those portions of both Guidelines that are not addressed elsewhere in the regulations--e.g., leave for religious purposes, maternity leave.

2R05 IMPLEMENTATION OF SECTION 503 AND 38 U.S.C. 4212 REQUIREMENTS

- (a) Scope: The onsite review must include examination of the contractor's implementation of its affirmative action and nondiscrimination obligations with respect to individuals with disabilities, special disabled veterans and veterans of the Vietnam era. Chapter 3 provides detailed guidance on conducting this aspect of the onsite review.
- (b) Non-AAP Requirements: Along with findings on the contractor's implementation of AAP ingredients, the following non-AAP requirements must be evaluated onsite. Results of this evaluation are recorded on SCRR page 13, part I. Chapter 3 provides detailed guidance on conducting this aspect of the onsite review.
- (1) Invitation to Self-Identify: Contractors must invite all applicants and employees to identify themselves as covered veterans or persons with disabilities. Refer to 41 CFR 60-250.5(d) and 41 CFR 60-741.5(c).
- (2) Availability of the AAP for Inspection: Contractors must make the AAP available for inspection by employees and applicants for employment. The location and hours during which the AAP is available must be posted. Refer to 41 CFR 60-250.5(c) and 41 CFR 60-741.5(d).
- (3) Listing of Employment Openings: The Affirmative Action Clause at 41 CFR 60-250.4 requires that covered contractors list all suitable employment openings with the local office of the State Employment Service.
- (4) VETS 100 Filing Requirement: A contractor covered by 41 CFR Part 60-250 must report at least annually to DOL's Office of the Assistant Secretary for Veterans' Employment and Training (OASVET) on the number of covered veterans in its workforce and the number of covered veterans hired. See 41 CFR Chapter 61. A copy of the VETS 100 Form and its instructions is included in Chapter 3 (Figure 3-3).



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- (c) Discrimination: The onsite evaluation of the contractor's implementation of its affirmative action obligations under Section 503 and 38 U.S.C. 4212, also includes investigation for discrimination against individuals with disabilities or covered veterans. This includes identification of any qualified individuals with disabilities or covered veterans screened out by personnel practices or job requirements not shown to be consistent with business necessity and the safe performance of the job, and any who could have performed the job involved given reasonable accommodation to their disability. The types of materials that may be examined onsite in this area are discussed on SCRR page 13, Part II and its instructions, and in Chapter 3.
- (d) Technical Requirements: Additionally, there are a number of technical requirements which the Section 503 and 38 U.S.C. 4212 programs share with the Executive Order program. These are addressed in 2R06(a) below.

2R06 TECHNICAL REQUIREMENTS

The onsite review must also cover the contractor's implementation of technical requirements. These fall in the following areas: (1) those mandated by the EEO/AA clauses of all three OFCCP programs; (2) those specific to the Executive Order program; and (3) those pertaining to OFCCP responsibilities under the Immigration Reform and Control Act (IRCA). There is an optional SCRR Worksheet for recording the results of the audit of Technical Requirements.

- (a) All Three Programs: In addition to requiring that covered contractors not discriminate against and take affirmative action on behalf of covered group members, the Equal Opportunity and Affirmative Action Clauses at 41 CFR 60-1.4(a), 41 CFR 60-250.4, and 41 CFR 60-741.4, contain a number of other requirements.
- (1) Inclusion of Clauses: Each EEO/AA clause must be included, either in its entirety or by reference, in all covered contracts, subcontracts, and purchase orders. Additionally, notice of the VETS 100 filing requirement must be included.
 - (2) Informing of Obligations - Vendors and Subcontractors: Contractors must advise vendors and subcontractors of their obligation to develop an AAP if they meet coverage thresholds.
 - (3) Informing of Obligations - Unions: Contractors must inform any labor unions or worker representatives with which they have a collective bargaining agreement or other agreement of the contractor's commitments under the regulations.
 - (4) Posting of Notice: Contractors must post notice of their EEO/AA obligations in conspicuous places, available to both employees and applicants for employment.



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- (b) Requirements Specific to the Executive Order Program: The Executive Order regulations additionally require:
- (1) EEO Tag Line: Advertisements and solicitations for employment must state that all qualified applicants will be considered, regardless of race, color, sex, national origin or religion (see 41 CFR 60-1.4(a)(2) and 60-1.41).
 - (2) Standard Form 100: The contractor must have filed a current Standard Form 100 (EEO-1 or, for universities, EEO-6) as required by 41 CFR 60-1.7(a)(1). (NOTE: Where the contractor is found not to have filed a Standard Form 100, the EOS--in addition to including the matter in a Conciliation Agreement--will notify the OFCCP National Office by completing and forwarding the form provided in the EEDS Manual for this purpose.) The contractor must also notify its vendors and subcontractors of their obligation to file a Standard Form 100 annually.
- (c) IRCA - Forms I-9 Inspection: The onsite review also must include a review of the contractor's INS (Immigration and Naturalization Service) Forms I-9. This form is used to verify that employees hired since November 7, 1986, are legally eligible to work in the United States under the provisions of the Immigration Reform and Control Act. As noted below, the contractor must be given at least three days advance notice of a Forms I-9 inspection. Chapter 3 includes a copy of the I-9 Form and its instructions (Figure 3-1), specific guidance on the contents of this inspection (3E), and a copy of the ESA Form 91 used to record the results of this inspection (Figure 3-2).

2S NOTICE OF ONSITE REVIEW

EOSs are required to provide written notice of the scheduling of the onsite review to contractors. This notice of onsite should be a follow-up to an earlier telephone contact establishing the date and time that the onsite review will begin.

2S00 TELEPHONE NOTICE

In telephoning the contractor to establish the date the onsite will begin, the EOS should also request that the contractor have additional required information available at the beginning of the onsite. This information will have been identified as a result of problems with the data that the contractor submitted or failed to submit for the desk audit, or potential problems found during desk audit. This contact provides the contractor with lead time to locate the information. It also allows the EOS to determine whether the



information is available and in what form. During the conversation the contractor would also be told of the need to inspect I-9 forms.

2S01 WRITTEN CONFIRMATION OF ONSITE

A letter must be sent to the contractor confirming the phone notice of the onsite, the date and time the onsite will begin, and that an I-9 inspection will be conducted (to provide the required formal 3-day notice of such an inspection).

- (a) List of Materials: The onsite confirmation letter must include a list of the materials which the contractor should make available at the start of the onsite.
 - (1) Materials Related to Specific Findings: Items which relate to specific preliminary findings noted during the desk audit should be requested. For example, where the EOS has identified adverse IRAs, a list of the employment actions involved or the contractor's adverse impact determinations for titles in the job group and type of activity involved should be requested; or, where the desk audit has indicated salary questions, the key to any salary codes should be requested. Also, the EOS should note that personnel files, applications, and resumes should be available for inspection.
 - (2) Materials Not Included in Original Submission: Items which may not have been included in the original AAP and supporting data submission--such as copies of employment advertisements, purchase orders, employment applications, labor agreements, and policy manuals, should be requested. Where appropriate, the EOS may also ask that the contractor's adverse impact determinations be available for review or that the contractor identify those jobs where the results of its analysis showed adverse impact.
 - (3) I-9's and VETS 100 Report: Because EOSs must review I-9 forms and verify that the contractor has filed the VETS 100 Report, the contractor must be informed of the need to have these available for inspection.
 - (4) Additional Information: A request should also be made for the names of applicants and employees who have responded to the contractor's invitation to self-identification or who have otherwise become known to the contractor as individuals with disabilities, as special disabled veterans, and/or as veterans of the Vietnam era. Where special disabled veterans and/or individuals with disabilities have been identified, the contractor should also be asked to provide a description of any accommodations made.
- (b) Mailing: The letter confirming the onsite, signed by the AOD/FOD, should be mailed to the contractor (by certified mail, return receipt requested) sufficiently in advance of the onsite date to



ensure that the letter arrives at least 3 days before the EOS. In addition, should the contractor encounter unanticipated problems in obtaining the items requested, there should be sufficient lead time to allow for the substitution of alternate materials, where possible and appropriate.



FIGURES



SCHEDULING LETTER REQUESTING AAP AND SUPPORT DATA

OMB NO. 1215-0072
Expires 01/31/99

Dear (name of contractor official):

Your establishment located at _____ has been selected for a compliance review under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, and their implementing regulations at 41 CFR Chapter 60. In addition, the review will include an examination of your firm's compliance with the Federal Contractor Veterans' Employment Report (VETS-100) requirements (38 U.S.C. 4212(d) and the Employment Eligibility Verification (I-9) Report requirements of the Immigration Reform and Control Act of 1986.

The compliance review will be conducted as described in the regulations at 41 CFR Part 60-60 which outlines the three phases of the process. These phases normally include a desk audit, an onsite review, and where appropriate, an offsite analysis.

For desk audit purposes we request that you submit (1) a copy of your Executive Order Affirmative Action Programs (AAPs) prepared in accordance with the requirements of 41 CFR 60-1.40, 60-2.1 through 2.15; (2) a copy of your Section 503/38 U.S.C. 4212 AAP(s) prepared in accordance with the requirements of, respectively, 41 CFR Part 60-741 and 60-250; and (3) the support data specified in the enclosed Itemized Listing.

Our desk audit of the AAPs and support data is designed to assist us in preparing for the onsite review and, therefore, to reduce the amount of time and level of effort required by your representatives and ours. You should note, however, that 41 CFR 60-2.2 authorizes the initiation of enforcement proceedings if materials submitted for desk audit do not represent a reasonable effort to meet the requirements of the regulations.

Please submit your AAPs and the support data specified in the enclosed Itemized Listing as soon as possible, but no later than 30 days from the date of your receipt of this letter.

During the onsite phase of the review we will need to have available copies of I-9 forms for (1) all employees, both current and former, hired within the last three years, and (2) any former employees hired more than three years ago (but after November 6, 1986) who terminated within the past year. We will also need documentation (e.g., payroll records) sufficient to identify all employees for whom I-9 forms



**U.S. Department of Labor
Employment Standards Administration
Office of Federal Contract Compliance Programs**

**Federal Contract Compliance Manual (FCCM)
CHAPTER II - DESK AUDIT**

are required. This letter provides you with 3 business days advance notice of the I-9 inspection, as required by law.

If you have any questions concerning the compliance review, please feel free to contact _____.

Sincerely,

District Director

Enclosure: Itemized Listing

NOTE: Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number. The reason for requesting the information listed on the enclosure is to assist OFCCP in preparing for the onsite review and to reduce the amount of time and level of effort required of your representatives and ours during the onsite review. The information will be used to assist us in determining the most efficient way to conduct the onsite review. The submission of this information is mandatory pursuant to 41 CFR Chapter 60.



Figure 2-1:

CHRONOLOGY LOG – CC-53

Electronic version not available



Figure 2-2a:

ITEMIZED LISTING

Required AAP contents, including supporting documentation such as those indicated by check () mark, are essential to conduct the desk audit phase of the compliance review.

___ a. Copies of your Employer Information Reports EEO-1 (Standard Form 100 Rev.) for the last three years (___, ___, and ___). (See 41 CFR 60-1.7).

___ b. Workforce Analysis (See 41 CFR 60-2.11(a)).

___ c. Copies of progression line charts (See 41 CFR 60-2.12(m)).

___ d. Job group and availability analysis (See 41 CFR 60-2.11(b)).

___ e. Documentation that areas of underutilization have been identified and goals and timetables have been established to correct any deficiencies, together with a plan of action to achieve those goals and timetables. (See 41 CFR 60-2.12(g), (h), and (i) and 41 CFR 60-2.13(d), (e), and (f)).

___ f. Summary data and information which indicate the numerical and other results of your affirmative action goals for each job group for the current goal year and the preceding goal year. For each goal not attained/being attained, describe the good faith efforts which were/are being made to achieve them. (See 41 CFR 60-1.40(c) and 41 CFR 60-2.12).

___ g. An analysis of your selection process, including a determination of whether it eliminates a significantly higher percentage of minorities or women than nonminorities or men. (See 41 CFR 60-1.40(b)(2), 60-2.23(b)(3), 60-2.25). This analysis may consist of a summary of applicant and hire activity identified by race and sex for each job group for (a) the present goal year and (b) the previous goal year and include: total applicants, total offers of employment, total hires, total rejections. However, if you do not have the data arranged in that manner you may choose to submit them in the form in which they are available.

___ h. Analysis of your transfer and promotion practices to determine if lateral and/or vertical movement of minority or female employees is occurring at a lesser rate (compared to workforce mix) than nonminority or male employees. (See 41 CFR 60-1.40(b)(3), 60-2.23(b)(2), 60-2.25). The analysis may consist of a summary of promotion and trans-fer activity during (a) the present goal year and (b) the previous goal



year, identified by race and sex, including the department/job group/job title into which employees were promoted and each department/job group/job title from which promoted. However, if you have performed the analysis under a different arrangement you may choose to submit it in the manner in which it is available.

____i. Summary of monitoring reports which reflect the degree to which the nondiscriminatory policy is carried out with respect to terminations of employment. (See 41 CFR 60-2.25). This information may consist of a summary of employee terminations with identification of race and sex and the departments and job titles from which they were terminated. However, if you have not compiled the data in this form you may choose to submit them in the form in which they are available.

Although it is not specified as one of the required contents of the AAP, it would assist us in conducting the desk audit if you would also attach a copy of your collective bargaining agreement, if any, or other available information indicating your policies and procedures governing employee mobility (i.e. promotions, transfers, etc.).



Figure 2-3:

**STANDARD INQUIRY LETTER FOR REQUESTING COMPLAINT DATA FROM EEOC
AND STATE AND LOCAL FEPS**

Dear:

A compliance review of the following Federal contractor has been scheduled:

The review will audit this contractor's compliance with Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans Readjustment Assistance Act of 1974 (38 U.S.C. 4212), and implementing regulations. The Order and Acts prohibit employment discrimination and require affirmative action to ensure equal employment opportunity without regard to race, color, religion, national origin, sex, disability or status as a special disabled or Vietnam era veteran.

Please forward any information you have concerning complaints filed against this contractor and/or any other information you may have concerning its EEO posture which you believe we should consider during the course of the review.

Since this review will begin in approximately 30 days, and we will submit our final report within 60 days thereafter, a prompt response to this inquiry will be appreciated.

Sincerely,

AOD/FOD



APPENDICES



APPENDIX 2A-1 STANDARD COMPLIANCE REVIEW REPORT (SCRR)

PART A: PREPARATION

SCRR

Page#

- 1 CRIS, CC-100A
- 2 Introduction
- 3 Past Problems/Known Complaints
- 4 Initial Review of AAP and Support Data
- 5 Personnel Activity Table
- 6 EEO Trend Analysis Worksheet
- 7 EEO Trend Analysis Narrative
- 8 Organization of Contractor's Workforce and Review
of Support Data on Personnel Practices

PART B: AFFIRMATIVE ACTION

- 9 Problems with AAP and Support Data
- 10 Analysis of Affirmative Action Progress
- 11 Evaluation of Good Faith Effort
- 12 Implementation of Guidelines on Religion and
National Origin and Sex Discrimination
- 13 Implementation of Disabled/Veteran
Affirmative Action Requirements

PART C: POTENTIAL DISCRIMINATION

- 14 Results of Review of Workforce Analysis



- 15 Impact Ratio Analysis (IRA) Worksheet
- 16 Compensation/Other Analyses
- 17 Summary of Potential Discrimination Problems

(18) DESK AUDIT SUMMARY (Optional)

OTHER OPTIONAL SCRR WORKSHEETS

- EEO-6 Personnel Activity Table
- EEO-6 Trend Analysis Worksheet
- Technical Requirements Worksheet
- Job Area Acceptance Range (JAAR) Worksheet

The SCRR forms listed in the above Table of Contents are not on a disk. Please refer to hard copy.



APPENDIX 2A-2 STANDARD COMPLIANCE REVIEW REPORT (SCRR)

INSTRUCTIONS

OVERALL SCRR STRUCTURE

This SCRR is both a desk audit and onsite report. It consists of three parts: (a) Preparation, (b) Affirmative Action and (c) Potential Discrimination.

Each part contains analytical sheets, followed by a narrative summary of problems identified in major review areas. For problems not resolved at the conclusion of desk audit, the summary sheets provide for an investigative plan and a description of onsite findings/conclusions. These summary sheets are underlined in the following SCRR outline:

PART A: PREPARATION

- Page 1 CRIS, CC-100A
- 2 Introduction
- 3 Past Problems/Known Complaints
- 4 Initial Review of AAP and Support Data
- 5 Personnel Activity
- 6 EEO Trend Analysis Worksheet
- 7 EEO Trend Analysis Narrative
- 8 Organization of the Contractor's Workforce and Review of Support Data on Personnel Practices

PART B: AFFIRMATIVE ACTION

- 9 Problems with AAP and Support Data
- 10 Analysis of Affirmative Action Progress
- 11 Evaluation of Good Faith Effort
- 12 Implementation of Guidelines on Religion and National Origin and Sex Discrimination
- 13 Implementation of Disabled/Veterans Affirmative Action Requirements



PART C: POTENTIAL DISCRIMINATION

- 14 Results of Review of Workforce Analysis
- 15 Impact Ratio Analysis (IRA) Worksheet
- 16 Compensation/Other Analyses
- 17 Summary of Potential Discrimination Problems

For convenience when an onsite must be approved by a reviewing official, an optional Desk Audit Summary is included as page 18.

Also included are the following optional SCRR forms: for university reviews, a substitute Personnel Activity and EEO Trend Analysis worksheet with EEO-6 category headings; a Technical Requirements worksheet covering all three OFCCP programs; and a Job Area Acceptance Range (JAAR) worksheet.

How much of this SCRR can be done at desk audit will depend on the quality of data submitted by the contractor. It is more important that all analyses are completed by review close out, than when in the review process they are completed.

SCRR AS A NARRATIVE REPORT

As noted above, the SCRR is both a desk audit and onsite report. No separate onsite narrative is required. What is required is a narrative description of onsite findings and conclusions on each problem identified* in the major review areas of AAP and Support Data, Evaluation of Good Faith Effort and Potential Discrimination. This narrative should be as long or short as the facts of the situation warrant (and, regardless of length, must be backed up by case file material).

For example, many problems in a written AAP (page 9) can be adequately addressed in a sentence or two with a reference to corrected AAP pages. Even some potential discrimination problems (p. 17) can be briefly addressed--for example, an Impact Ratio Analysis (IRA) adverse for female hires that when refined onsite showed that the women applied after the last opening. On the other hand, findings on some problems will require substantially more elaboration. This will usually be the case for discrimination issues that are not resolved through such initial onsite data refinement.

Where such a longer description of findings is appropriate, the EOS should briefly summarize findings on the SCRR page (9, 11 or 17, as applicable)* and attach the fuller narrative description--labeled with the item number to which it pertains--to that page.** Some examples of when this narrative is needed and a description of its contents are given following the instructions for SCRR page 17.



*whether identified at desk audit, but not resolved by the conclusion of desk audit, or onsite.

**EOSs using word processing equipment, see alternative below.



FOR COMPUTER USERS

OFCCP has developed a computer program for IRAs (p. 15) and JAARs (SCRR optional worksheet). Once the EOS identifies the appropriate raw data and it is entered into the computer, the mathematical calculations called for by these SCRR pages are automatically made and a print-out generated with column headings corresponding to these pages.* Such computer-generated pages may be substituted for these SCRR pages. If you want further information on this program, contact your Regional representative to the OFCCP Technical Support group or the NO Branch of Special Analysis.

Additionally, computer users may wish to use word processing for the rest of the SCRR. A distinct advantage of doing so is that once the form is in the computer, the space allocated to any page/item is fully flexible--i.e. it can be tailored to the particular review, thus avoiding the need for continuation sheets. For example, on the SCRR pages calling for onsite findings/conclusions (see section above), rather than summarizing findings and expanding on them in an attachment, simply convert the page to a vertical format (addressing all headings for problem # 1, then all for problem #2, etc.) and use whatever amount of space is needed for each problem.

RELATIONSHIP OF SCRR TO POTENTIAL DISCRIMINATION WORKSHEETS

Sample worksheets and instructions for investigating potential discrimination are given in Appendix 3A. Key factors that must be addressed in such an investigation are highlighted in those instructions.

*For IRAs, in addition to the page 15 headings, this program calculates the number of standard deviations. This may be of some assistance in setting investigative priorities. However, the number of standard deviations must not be used either to conclude discrimination has occurred or to conclude that investigation is not warranted. Statistical tests mean nothing apart from the data to which they are applied, and it is entirely premature to base either such conclusion on unrefined desk audit data. See IRA instructions and "Interpreting IRA Results" in this Appendix and, in Chapter 3, the discussion of refined IRAs and statistical tests for small numbers.



COMMENTS APPLICABLE TO THE SCRR AS A WHOLE

Format/Administrative

- o Those SCRR pages and worksheets that are "fold-out" have a perforation in the middle which divides them into two standard 8 1/2" X 11" sheets. These sheets may be separated at the perforation for ease in copying. In the copy, the two sides of a sheet (they are labeled "a" and "b"--i.e. 11a, 11b, etc.) should be filed in sequence.

Because of their format, some of these sheets have "Item #" columns on both sides to permit cross-referencing in a copy. The EOS assigns an item number to each problem identified on the left side of the fold-out and uses the same item number on the right side of the fold-out.

- o SCRR pages which present a conclusion on problem areas have a final column labeled "CLOSE OUT DOCUMENT" which asks "Include?" and "Para. #." If you plan to address the problem in a close out document, check "Include?," but leave the "Para. #" column blank until the end of the review.

At the end of the review, examine all problems checked and base the type of close-out document on the most serious problem. For example, if there are three deficiencies, two of which--standing alone--would require a Letter of Commitment (LOC), but the remaining deficiency requires a Conciliation Agreement (CA), use a CA to cover all three deficiencies. When the close-out document is drafted, go back and insert the paragraph number in which each problem is addressed.

- o Each Area and Field Office should maintain extra copies of those SCRR analytical pages where additional copies may be needed in the average review--primarily the Analysis of Affirmative Action Progress and IRA Worksheets.

Other

- o In a preaward review, as at present, all SCRR analyses are normally completed onsite.
- o Minorities means men and women of those minority groups for whom EEO-1 reporting is required--i.e. Blacks, Hispanics, Asians/ Pacific Islanders and American Indians/Alaskan Natives. It may mean those groups in the aggregate or an individual group for whom a problem has been identified (see instructions for SCRR page 7). Women means both minority and nonminority women.



-
- o When reference is made in the SCRR to a particular item included in an AAP, the AAP page number(s) should be given. However, please note that an AAP page reference, standing alone, is not an adequate response to any question concerning the contractor's implementation of an item (for example, see SCRR page 13 on Implementation of Disabled/Veterans' Affirmative Action Requirements).

PAGE INSTRUCTIONS

PART A: PREPARATION

PAGE 1: CRIS, CC-100A

See the Compliance Review Information System (CRIS) Manual for instructions on completing this page.

PAGE 2: INTRODUCTION

Item 1 - Establishment Name, Address and CRIS Control #: Enter the name and address of the establishment being reviewed. Also enter the CRIS Control number assigned to this review on page 1.

Item 2 - Parent Name and Address: If the establishment being reviewed is part of a larger firm, enter the name and address of the parent firm.

Item 3 - Labor Area: Enter the name of the Metropolitan Statistical Area (MSA) in which the establishment is located or, if it is not in an MSA, enter the name of the county or other appropriate labor area in which it is located. Then enter the percent of the labor force within the named geographic area that is female and the percent that is minority (in the aggregate and by each minority group).

Item 4 - Complaints Investigated During Review: Enter the complaint number of each complaint you plan to investigate as part of the compliance review. This will permit a cross-reference to the Complaint Administration System (CAS) and to the complaint investigation file. At the end of the review, check [] those complaints that have been resolved.

NOTE: Further information on these complaints, and on any other open OFCCP complaints, will be entered on SCRR page 3.



Item 5 - Contract Establishing OFCCP Jurisdiction: Enter the indicated information on the contract which establishes OFCCP jurisdiction. If a subcontract is used, under "Agency" enter the name of the awarding agency, then check "SUB TO" and enter the name of the prime contractor.

If you have information on several contracts or subcontracts, use one in which the work is performed at the establishment level and/or one with the highest dollar amount or the most relevant time period. Where more than one contract is needed to establish and/or further support coverage, include information on these contracts in item 8 below (Introductory Statement).

Item 6 - Company Contacts: List the name, title and phone number of the corporate and establishment Chief Executive Officer (CEO), and the corporate and establishment contact persons for Equal Employment Opportunity and Affirmative Action (EEO/AA) matters.

Item 7 - EEDS Contractor Selection Research Documentation Form: Check here to confirm that this Equal Employment Data System (EEDS) form--which indicates why this contractor was selected for review--is included in the case file.

Item 8 - Introductory Statement: To the degree known, this should include, but need not be limited to:

- o Type of Business. Describe the nature of the establishment's business--for example, its type of industry, main product line, etc. If it is part of a larger firm, indicate its relationship with its parent--i.e. "part of the Consumer Electronics Division of XYZ Company," "a subsidiary of ABC, Inc.," etc.

Also include any general information on the establishment, such as its total employment, whether its workforce is predominantly white-collar or blue-collar, etc.

If the establishment's AAP covers more than one physical location (i.e. outstationed sales offices, branch banks, etc.), generally describe those locations and approximately how many people they employ.

- o Additional Coverage Information. Include information on any contracts or subcontracts (beyond that given in item 5 above) needed to establish or further support OFCCP jurisdiction. If coverage is not based on the establishment's Federal contracts, but on those of a related entity--such as a parent company, a subsidiary, or another subsidiary of the parent--identify the entity holding the Federal contracts and the establishment's relationship to it.

To the degree known, also indicate the main product(s) or service(s) provided under Federal contracts and the approximate volume of such contracts as a percentage of the contractor's business.



- o Labor Area Characteristics. Describe any relevant information on the labor area in which the Contractor is located.

For example: minority and/or particular minority group distribution within that geographic area (i.e. "The largest Hispanic community in the MSA is in Hillsdale, two miles from the plant." etc.); availability of public/private transportation; relevant community resource file information, including the results of any general contacts with community organizations, etc.

Item 9 - Signature Blocks. Upon completion of the review, the EOS signs and dates the report in the space provided. Upon approval of the report, the Module Chief and appropriate official (ARA or AOD) sign and date it.

PAGE 3: PAST PROBLEMS/KNOWN COMPLAINTS

Part I: PAST PROBLEMS. Review available Area Office files on any past OFCCP compliance reviews or complaint investigations of this establishment. If there have been no prior reviews or complaints, so state, and no further entries are needed under this part. If there have been, complete this Part as follows:

- o Item a - Past Problems - Give the date of any past compliance review or complaint investigation and list any major problems identified.

If there is a current Conciliation Agreement (CA) or Letter of Commitment (LOC), include a copy of the CA/LOC monitoring record in this case file and list here any items that may need further investigation.

- Item b - Recurrence? Do not complete this item now, but in conducting the rest of the review, be alert for any indications that a past problem has or has not recurred. At whatever point in the review you have evidence one way or the other, return to this page and enter your finding. If you conclude that a problem has, in fact, recurred, also reference the SCRR page number where your findings are presented in more detail.

EXAMPLE: A past review resulted in a CA because (1) the contractor's workforce analysis was by EEO category rather than by organizational unit, and (2) the contractor failed to make a good faith effort to recruit minorities for professional positions.

If, in reviewing the current AAP (SCRR page 4), you find that the current workforce analysis is properly by organizational unit, return to this page and so state in item "b." If contractor records and contacts with recruitment sources show that the contractor did not list professional jobs, so state in item "b" and refer to



the SCRR page where your findings are discussed (for this problem, normally SCRR page 11 on Evaluation of Good Faith Effort).

Part II: KNOWN COMPLAINTS. Review responses received (to Manual Figure 2-3) from other agencies on any complaints filed against this establishment since the last OFCCP compliance review. Also review available Area Office records of any open OFCCP complaints against this establishment. If there are no such complaints, so state, and no further entries are needed in this part. If there are, complete this Part as follows:

- o Item a - For each complaint, indicate with what agency it was filed, its basis, issue, current status and the area of the contractor's workforce it appears to concern (i.e. clerical, professional, entry-level blue collar, etc.).
- o Item b - Potential Systemic? Do not complete this item now, but in conducting the rest of the review, be alert for any indications of a potential systemic discrimination problem in complaint areas. At whatever point in the review you have evidence that there is or is not a potential systemic problem, return to this page and so state. If you conclude that there is a potential systemic problem, refer to the SCRR page where your findings are presented in more detail.

EXAMPLE: There is (1) an open EEOC complaint alleging discrimination against women in terminations from Operative jobs, and (2) a State human rights commission individual complaint alleging failure to hire because of diabetes.

In the first case, if your Impact Ratio Analysis (IRA) did not show an adverse IRA for women in Operative terminations, return to this page and so state in "b." In the second case, if examination of the contractor's policies concerning diabetes and/or applications of diabetics rejected showed a systemic problem, return to this page, so state in "b" and refer to the SCRR page where your findings are discussed (for this problem, normally page 13, Part II).

The intent here is not to investigate any complaint filed with other agencies (or any open OFCCP complaint other than those assigned for investigation during this review--i.e. those listed in SCRR Introduction, item 4), but rather to be alert for potential systemic problems in complaint areas.

PAGE 4: INITIAL REVIEW OF AAP AND SUPPORT DATA

Immediately upon receipt of the contractor's initial AAP and support data submission, review it to ensure there is sufficient information to conduct subsequent basic analyses of both affirmative action and potential discrimination issues.



In conducting this initial review, be attentive to any information on the contractor's workforce structure and personnel practices that will be discussed on SCRR page 8. Such information may be included in the AAP narrative, or may be reflected in the workforce analysis or support data on personnel activity.

Complete this page as follows:

- o Timely Receipt: Indicate whether the Executive Order AAP was received on time by checking "YES" or "NO." If the AAP was received on time, complete the steps below. For the Disabled/Veterans' (D/V) AAP, indicate whether it was received.

If the Executive Order AAP was not received on time, on page 9 (Problems with AAP and Support Data), indicate the date a Show Cause Notice was issued or, if not issued, the reason. If the D/V AAP was not received, on page 9 indicate the date a 30-day Notice was issued or, if not issued, the reason. When the contractor does first submit its AAP(s), complete the steps below.

- o Included?: Review the Executive Order AAP and support data and the D/V AAP to ensure that all listed elements are present. Beside each item, enter a "Y" for yes if it is included, or a "N" for no if it is missing.

If an element is missing, no further entries are needed concerning it on this page since it will automatically be neither "reasonable" (if a central element) nor "acceptable." Note any such missing elements on page 9.

- o Reasonable?: Beside each central element of the Executive Order AAP--Workforce Analysis, Utilization Analysis (and its components) and Current Goals--enter a "Y" or "N" to indicate whether the element is reasonable (see OFCCP Federal Contract Compliance Manual--hereafter Manual--Section 2F).

If one or more of these central elements is not reasonable, on page 9 describe the specific problem and give the date a show cause notice was issued or, if no Show Cause was issued, the reason. If all central elements were reasonable, audit the submission for acceptability.

- o Acceptable?: Beside each listed element, enter a "Y" or "N" to indicate whether it is acceptable (see Manual, Sections 2G, 2H, and 2I).

If any element is not acceptable, list it on page 9 and describe the specific problem.

If N, p. 9 Item #: Beside each listed element with an "N" under "Included," "Reasonable," or "Acceptable," give the SCRR page 9 item number where the specific problem is discussed.



Later contractor corrections to an initial submission need not be recorded here, but will be recorded on page 9 beside the particular problem.

PAGE 5: PERSONNEL ACTIVITY TABLE

This worksheet provides an EEO-1 category overview of the contractor's major personnel activity over the last AAP year. If you are doing a university review, use the EEO-6 Personnel Activity Table (supplied with this package), which is the same form, but with EEO-6 category headings.

At the top of the page, enter the dates covered by the personnel activity data to be recorded below. The data will normally cover the last full AAP year, but where data for that period are not available, enter the dates covered by whatever data are available.

Enter the number of hires, promotions and terminations by minority group and sex in each EEO category. If the category is not in use in the contractor's workforce, enter N/A; if it is in use but had no activity, enter "no activity;" if the contractor did not maintain data for the category, enter "no data."

This information, together with the historical workforce data in the EEO Trend Analysis (below), provides a framework for later review of affirmative action progress and employment activity by job group. Also, since both these data and EEO trend data are by particular minority group, they can help identify any potential problems for a particular minority group.

PAGE 6: EEO TREND ANALYSIS WORKSHEET

This worksheet permits an assessment of net change in minority and female representation over both the long-term (comparing the earliest EEDS EEO category data with current data) and the short-term (comparing data for the beginning of the last full AAP year with current data).

The appropriate EEDS report for EEO-1 data is EEO20; for EEO-6 data, EEO69. EEO-1 categories are indicated beside the data entry space. If you are doing a university review, use the EEO-6 Trend Analysis Worksheet (included with this package), which is the same form but with EEO-6 category headings.

At the top of the page beside A, enter the date of the earliest data on the current EEDS report; beside B, the date of the beginning of the last full AAP year; and beside C, the date of the end of the last full AAP year.

NOTE: If the contractor has not previously been required to maintain an AAP, for B use the date of its latest EEO-1 or EEO-6 submission shown on the current EEDS report; and for C, the date of its most recent EEO-1 or EEO-6 submission not yet shown on EEDS.



To complete this page, for each EEO category and for the total workforce, make the following entries:

- o Line A - Enter the earliest data shown in the current EEDS report, then calculate and enter the percentage of women and of minorities.
- o Line B - Enter data for the beginning of the last full AAP year, then calculate and enter the percentage of women and of minorities.
- o Line C - Enter data for the end of the last full AAP year, then calculate and enter the percentage of women and of minorities.

The EOS may wish to make notes on net change and/or white collar and blue collar subtotals, etc. preparatory to completing the EEO Trend Analysis Narrative below.

PAGE 7: EEO TREND ANALYSIS NARRATIVE

At the top of the page, check whether the data are from EEO-1 or EEO-6 information. Then complete the narrative as follows:

Item 1 - EEO Trends

- (a) Total Workforce: Over the long-term (line A vs. line C on the preceding worksheet), has the contractor's overall workforce been relatively stable or has it been expanding or contracting? If one of the latter, how substantial has the change been? Has it been due to marked expansion or contraction in particular categories? What has the change been in the representation of minorities and women in the overall workforce? As a percent of total? Numerically?

Address the same questions as above concerning short-term total workforce trends (Line B vs. Line C on the preceding worksheet).

- (b) White Collar: Over the long and short-term, what has the change been for minorities in the white collar workforce? What has the change been for women in nontraditional white collar categories (normally white collar exclusive of Office and Clerical and retail Sales)? Have there been notable minority/female gains or losses in particular categories? Give particular attention to Officials and Managers and Professionals (and any other categories normally considered favorable in the industry involved).



- (c) Blue Collar: Over the long and short-term, what have the changes been for minorities and women in the blue collar workforce? Have there been notable minority/female gains or losses in particular categories? Give particular attention to Crafts.

NOTE: In discussing short-term trends above, also consider the level and type of personnel activity shown on page 5. Lack of short-term progress may be tied to few hiring/promotion opportunities in a category over the last AAP year; or to terminations canceling out hiring gains. Such observations can help provide a framework for later analyses by job group of goals (SCRR page 10) and employment activity (IRAs, SCRR page 15).

Also, in considering page 5, note any obvious major discrepancies that may need clarification. For example, if a category shows a short-term gain of 50 persons, but page 5 shows little or no hiring in the category during the AAP year, you may wish to ask the contractor the source of the growth.

Item 2 - EEO Category Patterns: Are there any EEO categories in which minorities or women have been persistently concentrated? Are there other categories in which minorities or women appear to be substantially underrepresented? In making these assessments, rely upon your general knowledge of the contractor's labor area, type of business/skill needs, and the representation of minorities and women in possible feeder categories.

The intent here is not to make comparisons with some hypothetical "category" availability (which is inappropriate), but again, to establish a broad framework for later examination of job groups within those categories, workforce patterns and IRAs.

For example, if there are very few women in Crafts but many in Operatives, the EOS is forewarned to look at the types of jobs in Crafts; the distribution of women vs. men in Operative job groups/departments/lines of progression; and the volume and type of promotions from Operatives to Crafts.

Item 3 - Particular Minority Groups: Identify any substantial disparity in the representation of a particular minority group or men or women of a particular minority group. Is any such disparity present in the workforce as a whole or only in certain EEO categories? In making this assessment, as above, consider the representation of particular minority groups in the contractor's labor area and in possible internal feeder categories. Where you observe such a disparity, plan to conduct standard desk audit discrimination analyses by the particular minority group (rather than by minorities in the aggregate), at least in those workforce areas where the disparity exists and for the type of activity most likely to have created the disparity. For example:

- The contractor is located in a labor area that is 20% minority, composed of 9% Blacks, 9% Hispanics and 2%



others. Although the contractor has a large number of jobs probably filled locally, it historically has employed less than 1% Hispanics. Under these circumstances, the EOS should plan to conduct all hiring IRAs specifically for Hispanics.

- The contractor has a predominantly blue collar workforce with good overall minority representation. However, Blacks are concentrated in Laborers, poorly represented in Operatives and absent in Crafts. Under these circumstances, the EOS should: (1) in reviewing the workforce analysis, plan to identify blue collar jobs held by Blacks and whether there is any structural/potential placement problem impeding their upward mobility, and (2) plan to conduct blue collar IRAs (particularly for hiring and promotion into Operatives and Craft job groups) separately for Blacks.

Further discussion of separate minority group analyses is given in the instructions for SCRR page 14 (Review of Workforce Analysis) and SCRR page 15 (IRAs). Please also note that if onsite investigation of such a disparity does not indicate potential discrimination, the EOS should then consider whether the imbalance warrants separate affirmative action steps--whether goals and/or specific action programs--for the group (see 41 CFR 60-2.12(1)).

PAGE 8: ORGANIZATION OF CONTRACTOR'S WORKFORCE AND REVIEW OF SUPPORT DATA ON PERSONNEL PRACTICES

The intent of this page is to describe those aspects of the particular contractor's structure and practices which will influence the interpretation of both affirmative action and potential discrimination issues. **DO NOT ADDRESS RACIAL OR SEX DISTRIBUTION ON THIS PAGE.**

- o Item 1: Organization of Contractor's Workforce - Describe how the contractor's workforce is organized using whatever information is available in the contractor's AAP and support data (if there is an organization chart, indicate where it is located in the AAP or case file).

If the contractor's AAP narrative is not helpful, scan the work-force analysis to identify (a) major organizational units--i.e. those containing the largest number of employees, and (b) the type of work that appears to be performed in these major units.

Also identify any possible formal/informal lines of progression (LOPs). If the contractor has not included progression line charts in its AAP, a union contract(s) may include information on LOPs. If neither source is helpful, does the workforce analysis show any indicators of possible LOPs (for example, sequenced job titles--Assembler A, B, C; Assistant Teller, Teller, Senior Teller; Scientist I, II, III, etc.)?



-
- o Item 2: Internal Mobility - Review the contractor's AAP and support data on personnel practices for any information on how personnel processes work at the establishment, with particular attention to internal mobility:
 - (a) Does the contractor indicate that it posts or otherwise makes job openings known? How? At what levels? Who is eligible to bid/apply? What factors are considered in choosing among internal candidates?
 - (b) Specifically address whether the contractor has one or more collective bargaining agreements. If it does, with what union(s)? Covering what areas of the workforce? Involving what provisions for promotion/transfer, layoff/recall, etc.?
 - (c) Also, review the contractor's hiring and promotion activity to identify:
 - Which job groups/areas have had the largest number of hires during the past year? Are there job groups which have been filled only or almost exclusively by hire?
 - Which job groups/areas have had the largest number of promotions during the past year? Are there job groups which have been filled only or almost exclusively by promotion?
 - o Item 3: Pay Structure - How is the contractor's pay system structured in major portions of the workforce? For example, are blue collar jobs paid by grade level? If so, what is the lowest and highest grade? Are salaried jobs organized into rate ranges identified by letter code? If so, what is the lowest and highest letter code?

PART B: AFFIRMATIVE ACTION

PAGE 9: PROBLEMS WITH AAP AND SUPPORT DATA

At the top of the page, check whether the page concerns the Executive Order AAP and support data, the D/V AAP or both, then complete the columns as follows:

- o # (a): Assign a number to each problem identified as a result of your initial review of the contractor's AAP and support data submission (SCRR page 4).
- o AAP AND SUPPORT DATA PROBLEMS (b): Briefly describe each problem, and indicate whether it is that the AAP or support data item was not included, was not reasonable or was not acceptable. This description should be specific enough for a reader to clearly understand the



issue involved--i.e. "Current goals are lower than the contractor's availability estimates in four Professional job groups," NOT "Goals are unacceptable."

- o ACTION TAKEN and/or PLAN TO RESOLVE (c): Describe the action(s) you have taken or plan to take to resolve the problem. For example, if the contractor failed to submit an Executive Order AAP, the normal entry would be "Show Cause issued (date)," followed by "AAP submitted (date). For an unacceptable AAP or support data ingredient, the entry may be "Called M. Jones to request (appropriate revision) be made and ready onsite."

Leave enough room between entries in this column to allow for a description of any probable subsequent desk audit developments. For example, if the problem is "No information on what job titles fall in what job groups," and the action is "Called S. Smith 9/5 to obtain listing of titles within group," a subsequent desk audit development may be "Received listing 9/10."

- o Onsite? (d): Check those items that will require onsite follow-up. These checked items will be your onsite plan for resolution of AAP and support data problems.

NOTE: Your onsite review must include confirmation of the contractor's implementation of its AAP commitments (see Manual Section 3G01). If onsite you identify a problem with AAP implementation that is not covered elsewhere in the SCRR,* add it to this page. Enter "ONS" for onsite in column "b" and complete the other columns as indicated.

ONSITE

- o # (e): Enter the same item number assigned to this problem in column (a).
- o Findings/Conclusions (f): For each AAP and support data problem for which you checked onsite, enter your onsite findings and conclusions. For example, if the problem were that the contractor's availability analysis appeared to give insufficient weight to internal availability, you may note that an onsite sample of records showed that the majority of incumbents in the job group had entered via promotion rather than new hire.

Where a fuller narrative description of findings (and/or resolution, column (h) below) is needed, attach it to this page (labeled with the item number to which it pertains).

- o Resolved? (g): Enter "Y" for yes or "N" for no to indicate whether the problem with the AAP or support data has been resolved.



*AAP implementation issues covered elsewhere are those pertaining to: (1) good faith efforts on goals (SCRR p. 11); (2) the Sex Discrimination Guidelines (SCRR p. 12); (3) Disabled/Veterans requirements (SCRR p. 13); and technical requirements (if you use the SCRR optional worksheet on Technical Requirements).

- o Resolution (h): If the problem has been resolved, describe the resolution. For example, "Contractor increased the weight of internal availability in XYZ job group from 2% to 60% resulting in the following corrected final availability figures: Minorities - originally 10%, corrected to 20%; Women - originally 5%, corrected to 30%." If the problem has not been resolved, discuss the contractor's position on the matter and the actions you are recommending.
- o AAP or Other Reference Pages (i): When a resolution has been reached, indicate here the pages of the AAP, support data or other document in which the resolution is incorporated.
- o Close-Out Document (j-k): If you plan to include the problem in a close-out document, check "Include?." Leave the "Para. #" column blank until the end of the review.

PAGE 10: ANALYSIS OF AFFIRMATIVE ACTION PROGRESS - Prior Year AAP/Current Year AAP

This page is divided horizontally into two parts: (I) Goals, and (II) Workforce Change. Part I is mandatory; Part II is optional. Enter data on job groups for which goals were established.

Prior year goals must always be addressed (unless the contractor was not previously covered by 41 CFR Part 60-2). Both prior and current year must be addressed if the contractor was six months or more into its current AAP year at the time it received the Scheduling Letter.

At the top of the page, check the appropriate box to indicate whether the data are for the prior year or the current year. Enter the starting and ending dates of the period involved and then complete this page as follows:

Part I - Goals:

- o EEO Category (a): Enter the initials or number of the EEO-1 or EEO-6 category in which the job group falls. Goals should normally be analyzed by job group within EEO category order, i.e. job groups within Officials and Managers first, then job groups within Professionals, etc.
- Job Group (b): Enter the name of the job group being analyzed.
- o Goal (c): Enter the minority/female percentage placement goal.*



- o Total Placements (d): Enter the total number of placements into the job group during the AAP year.
- o Expected (Placements) (e): Enter the number of minorities or women who would have been placed under the percentage placement goal. To find this expected number of placements, multiply the total placements (d) by the goal (c). Round down to the nearest whole number (i.e. $0.1 = 0$, $11.7 = 11$, $0.4 = 0$, etc.).

EXAMPLE: For the Crafts I job group, ABC Company set a goal of 10% for minorities and 5% for women. During the AAP year, there were 50 placements into the job group. For minorities, you would have expected 5 placements ($.10 \times 50$); for women you would have expected 2 ($.05 \times 50 = 2.5 = 2$).

- o Actual (Placements) (f): Enter the actual number of placements into the job group during the AAP year who were minority/female.
- o Difference (g): Subtract the actual number of placements of minorities/women (f) from the expected number of placements (e) to find the difference--preceded by a plus (+) or minus (-) sign.

EXAMPLE:	<u>Expected</u>	<u>Actual</u>	<u>Diff.</u>
Minorities	5	6	+1
Women	2	1	-1

Part II - Workforce Change: As noted above, this portion is optional. It can be useful in focusing attention on job groups where, although there has been progress in placements, there has been little or no improvement in minority or female representation. This normally is caused by disproportionate minority or female movement out

*If the AAP specifies a goal for a particular minority group or for men or women of a particular minority group, either change the line heading here from "Min." to an abbreviation for the identified group or use another copy of this page to evaluate goals progress for the identified group.



of the job group, whether for positive (pro-motions out) or negative (terminations) reasons, and alerts the EOS to look at Impact Ratio Analysis (IRA) results for the job group.

Complete this portion of the page as follows:

- o Beginning Workforce (h-i): In column (h) enter the total number of employees and in column (i), the total number of minorities and the total number of women in each job group at the beginning of the AAP year.
- o Ending Workforce (j-k): In column (j) enter the total number of employees and in column (k), the total number of minorities and the total number of women in each job group at the end of the AAP year.
- o Net Change (l-m): In column (l) enter the difference between the beginning and ending total workforce in the job group. In column (m), enter the difference between the minority and female beginning and ending workforce in the job group, preceded by a plus (+) or minus (-) sign.

PAGE 11: EVALUATION OF GOOD FAITH EFFORT

Evaluate the contractor's overall affirmative action performance. Was there progress in most areas where goals were established? for minorities? for women? for both? In areas with little progress, are there any balancing factors such as strong performance in similar or higher level jobs within the category or generally? Do performance problems fall in categories with poor long-term trends (compare SCRR p. 6)?

In evaluating fulfillment of AAP commitments, consider the quality of those commitments in terms of their probable long-range as well as short-range contribution to improving the contractor's affirmative action posture. Also consider whether the contractor has used positive problem solving to help remove any impediments to minority/ female utilization, vs. continued adherence to strategies that are not working.

As a result of this evaluation, identify any goal areas needing further evaluation for good faith effort. Complete the remainder of this page as follows:

- o # (a): Assign an item number to the goal area which needs further evaluation for good faith effort.
- o GOAL AREA (b): Enter the name of the goal area. A goal area may be a job group or a cluster of job groups with similar AAP commitments to be evaluated for good faith effort. For example, if the contractor committed to recruit minority technicians from XYZ organization, and showed



little progress in several technician jobs groups, the goal area may be "Technician (Elec., Mech., Test)."

- o MIN./FEM. (c): Indicate whether the goal(s) involved was for minorities, for women or for both. If it was for members of a particular minority group, enter an abbreviation for the group.
- o PR/CURR YR (d): Indicate whether the goal(s) needing further evaluation for good faith effort was for the prior year, the current year or both.
- o POSSIBLE CAUSES/PERTINENT AAP COMMITMENTS (e): Review any contractor description of good faith effort pertinent to the goal area. Also review data on employment activity in the area, and any relevant AAP information on personnel practices/workforce structure.

What appear to be the reasons for the lack of progress? What AAP commitments would have helped? For example:

- If jobs in the area were filled predominantly by hire, does it appear that insufficient applicant flow was the problem? If so, does the contractor's explanation address recruitment efforts? Were any commitments made in the prior AAP concerning recruitment? Were they fulfilled?
- If most openings were via promotion, was there an adequate supply of minorities/women in feeder jobs? If so, did the contractor make any AAP commitments concerning the promotion process relevant to the area, such as a commitment to: identify promotable minorities/women (skills inventory); increase promotability (training, job rotation); encourage upward mobility (counseling, encouraging bidding), etc.? Were any such commitments fulfilled?

NOTE: Where the problem is the candidate pool (low applicant flow, few minorities/women in feeder jobs), the issue is normally affirmative action (recruitment, goals at the feeder group level).

However, where the candidate pool is adequate, either affirmative action or discrimination may be the issue, so pay close attention to the area involved when conducting IRA analyses. If you find an adverse IRA in the goal area involved, pursue the matter first as a potential discrimination issue, and note that you are doing so here. Only if you do not find discrimination, return to complete this evaluation of good faith effort for the goal area.

- o ADDITIONAL INFORMATION NEEDED (f): Describe the additional information you will need to evaluate the contractor's good faith effort. For example, records of recruitment efforts, contact with community organizations to confirm appropriate job listings, etc. If you have



obtained sufficient additional information at desk audit to conclude there was good faith effort, so indicate here.

- o ONS (g): Check here those items that will require onsite follow-up. These checked items will be your onsite plan for evaluation of good faith effort.

ONSITE

- o # (h): Enter the same number assigned to this item in column (a).
- o FINDINGS (i): Discuss your onsite findings on whether the contractor made a good faith effort in the goal area. For example, "Contractor placed timely and accurate job listings with the major community organizations specified in its AAP, but received no referrals for this job group. This was confirmed by contact with XYZ referral sources who cited a scarcity of candidates with the skill specialty involved."

Where a fuller description of findings (and/or the discussion in column (k) below) is needed, attach it to this page (labeled with the item number to which it pertains).

- o GFE? (Good Faith Effort) (j): Indicate by entering "Y" for yes or "N" for no whether you conclude the contractor made a good faith effort in this goal area. If you conclude the contractor made a good faith effort, no further entries are needed on this sheet, unless you have reached an agreement with the contractor to take supplementary actions to help improve the chances of progress during the next AAP year (if so, describe in the next column).
- IF NO, SUPPLEMENTARY INFORMATION, CONTRACTOR POSITION, EVALUATION (k): If you conclude the contractor did not make a good faith effort, supply any background information that may provide perspective on the lack of good faith effort.

For example, "This job group is seriously underutilized for minorities (10% incumbency, 20% availability), and has been for at least the last three years. The contractor had adequate openings to make progress, but has consistently failed to take steps to increase minority applicant flow for the jobs involved, etc."

Also discuss and evaluate the contractor's position on the matter.

- o Close-Out Document (l-m): If you plan to include the problem in a close out document, check "Include?." Leave the "Para. #" column blank until the end of the review.

PAGE 12: IMPLEMENTATION OF GUIDELINES ON RELIGION AND NATIONAL ORIGIN



AND SEX DISCRIMINATION

Verify the contractor's implementation of the Guidelines on Religion and National Origin and the Sex Discrimination Guidelines. In both cases it is only necessary here to address those policies and practices that are not covered elsewhere in your evaluation of the contractor's compliance with the Executive Order--for example, maternity leave policy, leave for religious purposes, etc. Since the contractor is not required to address 41 CFR Part 60-50 in its AAP, and may or may not include a copy of leave policies, evaluation of these items and their implementation is normally done onsite.

If, while verifying this implementation, you identify a potential discrimination issue, check [] "Pot. Disc." and include the problem on page 17, "Summary of Potential Discrimination Problems."

PAGE 13: IMPLEMENTATION OF DISABLED/VETERANS AFFIRMATIVE ACTION REQUIREMENTS

Determine if the contractor has fully implemented its obligations under the individuals with disabilities and veterans programs.

Part I:

- o Describe Contractor Actions/How Verified: For each listed regulatory item, indicate the actions the contractor has taken, and briefly state how you made your determination.

For example, in item 4 concerning the Mandatory Job Listing requirement under the veterans' program, a verification may be: "9/7/88 conversation with J. Smith, Vets. Rep. at the Odgen County State Employment Service office, confirms contractor's listing of suitable jobs."

If you determine that the contractor has not taken adequate action, briefly describe the problem and, if resolved, its resolution.

- o Problem? (D/V): Enter an "D" for disabled, a "V" for veterans, or "D/V" for both, to identify the program under which the contractor has not taken adequate action on the item.
- o Resolved?: Enter "Y" for yes or "N" for no to indicate whether the problem has been resolved.
- o Close-Out Document: If you intend to include this item in a close-out document, check "Include?." Leave the "Para. #" column blank until the end of the review.

Part II:



The purpose of this part is to identify any contractor personnel practices or job requirements which may be screening out qualified individuals with disabilities or special disabled veterans, including those who could have performed the jobs involved given reasonable accommodation.

1. Determine if the contractor has any blanket medical standards, or medical standards applicable to particular jobs. Such standards may be incorporated in a policy manual, a manual for medical personnel or in position descriptions/qualification standards. They also may be identifiable through rejections of persons with certain medical conditions based on responses to application form medical questions and/or on results of physical examinations.

If you identify a medical standard, indicate the job(s) to which it applies, and ask the contractor for the results of its review determining that the standard is job related, consistent with business necessity and with the safe performance of the job.

Evaluate the contractor's response. If it does not adequately demonstrate that the standard is job related, consistent with business necessity and with the safe performance of the job, include the matter on page 17, "Summary of Potential Discrimination Problems."

Make sure the case file includes any available information relevant to supporting your conclusions--such as any position description for the jobs involved, notes on your worksite observations, copies of any physical tests used and their instructions, etc.--along with standard information on discriminatee qualifications.

Appendix A to Chapter 6 provides some guidance on the types of information to obtain about the job and about rejectees who have disabilities or are special disabled veterans. Additional guidance will be issued in the future on assessing job relatedness, business necessity and safety claims as they relate to the Section 503/4212 programs.

2. In the course of your review above, also identify any qualified individuals with disabilities or special disabled veterans who could have performed the job(s) involved given reasonable accommodation to their disability. If you identify such persons, include the matter on page 17, "Summary of Potential Discrimination Problems."

Appendix A to Chapter 6 also provides guidance on the types of information to obtain in evaluating whether the contractor has provided reasonable accommodation, and further guidance will be issued in this area in the future.

This page, particularly Part II, is normally completed onsite.



PART C: POTENTIAL DISCRIMINATION

PAGE 14: RESULTS OF REVIEW OF WORKFORCE ANALYSIS

Review the contractor's workforce analysis to identify patterns of minority and female employment. Identify and discuss potential problem areas where minorities/women are underrepresented or concentrated.

To focus this review, use the results of your earlier SCRR analyses such as:

1. EEO Trend Analysis Narrative (SCRR page 7).
 - (a) Category Patterns. Pay particular attention to areas with persistent representation of minorities or women substantially above or below probable availability. Using an earlier example with many women in Operatives but few in Crafts, what types of jobs are in Crafts? At the Operative level, are men and women in different types of jobs (which may have different progression opportunities--see 2 below)?
 - (b) Particular Minority Groups. Pay specific attention to the distribution of a particular minority group in areas where you identified a substantial disparity in the representation of that group. Using an earlier example with Blacks concentrated in Laborers, poorly represented in Operatives, and absent in Crafts, specifically identify the blue collar jobs held by Blacks and look for any structural (see 2 below)/potential placement problems that may be inhibiting upward mobility.

Even when such disparities are not observed in the initial category screen, if the labor area has a high representation of more than one minority group and/or the general employment patterns in the industry involved have differed among minority groups, in reviewing the workforce analysis the EOS should be alert for any indications of potential problems in the distribution of a particular minority group.

2. Organization of the Contractor's Workforce and Review of Support Data on Personnel Practices (SCRR page 8). Focus on minority group and female employment patterns in those workforce areas relevant for this particular contractor. Among the possibilities are: departments/units; possible lines of progression (LOP's); grade or salary levels; supervisory positions vs. those supervised; etc. For example:
 - (a) If the contractor has possible LOPs, are minorities and women fairly evenly distributed among LOPs or are they concentrated in ones that offer less favorable pay or progression? If there is no problem in distribution among LOPs, are minorities/women within LOPs fairly evenly distributed or are they clustered toward the bottom?



- (b) If departments or units are relevant in determining eligibility for promotion (or other employment activity), how are minorities/women distributed among those departments or units? Where department/unit seniority is used for promotion, layoff or other purposes, how are minorities/ women distributed among the departments or units?

Please note that even where plant seniority is used for promotion, if it is exercised first within the department where the opening occurs it can limit access to more favorable departments (since, in practice, all but entry- level and/or undesirable jobs may be filled within the department).

- (c) If the contractor announces job openings up to a certain salary level, is there any marked drop in minority or female representation above that level?

The type of questions to ask and patterns to look for will be different in each compliance review (as will the quality of desk audit data) depending on the organization and practices of the particular contractor. The important thing is to focus on the factors pertinent to that contractor.

DISCUSSION OF RELATIONSHIP BETWEEN REVIEW OF WORKFORCE ANALYSIS AND IRAS

The workforce analysis essentially reflects employment activity over an extended period of time, while IRAs reflect that activity during the most recent period. Therefore, pay particular attention to IRAs in those areas where review of the workforce analysis showed marked underrepresentation or concentration of minorities or women.

For example, in a seriously underrepresented job area, an adverse hiring and/or promotion IRA suggests that any problem may be longstanding and, if discrimination is found, there are likely to be victims within the normal liability period (with or without a showing of continuing violation).

Or, in a concentrated job area, an adverse promotion IRA may reflect differing opportunities for minorities or women to move up and out of the area. This may suggest a structural problem--i.e., a present policy or practice inhibiting movement--that may constitute discrimination as well as a continuing violation.

In any event, be aware of possible connections between what you observe in the workforce analysis and the results of the IRA analysis below.

PAGE 15: IMPACT RATIO ANALYSIS (IRA) WORKSHEET



GENERAL COMMENTS

The Impact Ratio Analysis (IRA) is a comparison of the selection rates of different groups from an identified candidate pool. If the selection rate for one group is less than 80% of that for another, the IRA is adverse.

The following mathematical procedure is used to calculate an IRA:

1. Find the selection rate for minorities/women by dividing their number of selectees by their number in the candidate pool.
2. Find the selection rate for others by dividing their number of selectees by their number in the candidate pool.
3. Compare the selection rate for minorities/women to the rate for others. As a matter of administrative discretion in compliance reviews, OFCCP will focus on situations in which the selection rate for minorities or women is less favorable than the rate for others.* For positive actions such as hires and promotions, this will be where the minority or female rate is lower; for negative actions, such as terminations, it will be where the minority or female rate is higher.
4. Consistent with #3 above, the IRA is calculated when the selection rate for minorities/women is less favorable. Therefore, to find the IRA for positive personnel actions, divide the lower minority/female rate by the rate for others; for negative personnel actions, divide the rate for others by the higher minority/female rate.
5. If the result of #4 above is less than .8, the IRA is adverse for minorities or women.

When, and ONLY when an IRA is adverse, this worksheet calls for an additional calculation of how many minorities or women potentially were affected. This, when considered in conjunction with other review information, may assist in setting investigative priorities.

IRAs may be conducted for women vs. men, for minorities in the aggregate vs. nonminorities, or for a particular minority group.** Where your earlier review of EEO trends (SCRR page 7) identified a substantial disparity in the representation of a particular

*The EOS should be aware, however, that sometimes a more favorable rate for minorities or women may indicate a "channeling" into different and perhaps less favorable jobs than others.



**While desk audit IRAs may be based on minorities in the aggregate, an onsite finding of discrimination must identify the particular minority group(s) against whom discrimination is alleged (see Appendix 3A instructions for Worksheet 17-1 on onsite refinement of IRAs).

minority group, IRAs should be conducted separately for that group at least in the workforce area(s) where the disparity was observed and for the type of activity most likely to have caused the disparity. For example:

-If the disparity you observed was a historical absence of a particular minority group, all hiring IRAs should be conducted separately for that group.

-If the disparity was that Hispanics have historically been well represented in Professional jobs but absent from Management, your IRAs for promotions and hires into Management job groups should be conducted separately for Hispanics.

-If the disparity was that over the past year the representation of Black Technicians declined dramatically, termination IRAs (and probably promotion and hire IRAs also) in Technician job groups should be conducted separately for Blacks.

Even where such a disparity was not observed in the initial category screen, where the labor area has a high representation of more than one minority group and/or the general employment patterns in the industry involved have differed among minority groups, in reviewing the contractor's activity data preparatory to conducting IRA, the EOS should be alert for any indications of potential problems in selections of a particular minority group.

IMPORTANT: Remember that an adverse IRA is only a preliminary indicator of a potential discrimination problem. For example, a job group IRA may measure selection for jobs with differing qualification standards and consequent differing candidate pools. These matters need to be explored further (normally onsite) before any conclusions can be reached.

IRA INSTRUCTIONS

At the top of this sheet enter the names of the groups whose selection rates you are comparing (minorities vs. nonminorities; women vs. men; Blacks vs. Others, etc.) and, in the "Rate for:" headings for columns (b) and (c), an abbreviation for those groups. Also enter the dates covered by the employment activity data and the date of the incumbency data you are using (incumbency data should, to the extent possible, be from the beginning of the activity period), then complete this sheet as follows.



Job Area (a): Enter the name of the job area being analyzed. Assuming this is a job group, also indicate the EEO-1/6 category to which it belongs.

HIRES

The hiring rate of a group is the number of that group who were hired divided by the number of that group who applied.

- o Rate for: (b): Enter the hiring rate for minorities, members of a particular minority group or women (include both numbers and percent).
- o Rate for: (c): Enter the hiring rate for others (include both numbers and percent).

If the minority/female hiring rate is lower than that for others, compute the IRA [(d) below]. If the minority/female rate is higher, no further entries are required.

- o IRA (d): Since this is a positive personnel action, divide the lower minority/female rate by the rate for others.

If the IRA is .8 or more, STOP. No further entries are needed for this IRA. Complete the remaining columns ONLY if the IRA is less than .8.

- o Overall Rate (e): Find the overall hiring rate by dividing the total number of hires by the total number of applicants.
- o Expected (f): Enter the number of minorities/women who would have been hired if all persons had been hired at the same rate. To get this number, multiply the overall rate (e) by the number of minority or female applicants [the denominator in (b)]. Round the result down to the nearest whole number (i.e. $4.3 = 4$; $0.7 = 0$, etc.).
- o Actual (g): Enter the actual number of minorities or women hired.
- o Difference (h): Subtract the actual number from the expected number and enter the difference. This is how many additional minorities or women you would expect to have been hired if all groups had been hired at the same rate.

If the difference is zero, leave this column blank, and the IRA need not be pursued further.

EXAMPLE: 1 of 10 women were hired (10%), 5 of 10 men were hired (50%). The IRA is .2 ($.10/.50$).



Since there were 6 total hires (1 woman + 5 men), and 20 total applicants (10 women + 10 men)--the overall hiring rate was 6/20 or 30%.

If men and women had been hired at the same rate, you would have expected 30% of the 10 female applicants--or 3--to have been hired. Since the actual number hired was 1, the difference is 2--i.e. 2 women may not have been hired because of potential discrimination.

Your IRA sheet for this example would look like this:

PROMOTIONS

Following the same procedure as for hires, enter the promotion rates for minorities, members of a particular minority group or women and the promotion rate for others, then, if the minority/female rate is lower, divide it by the rate for others. If the resulting IRA is less than .8, use the same method as for hires to determine overall rate, expected, actual and difference.

Please note, however, that to analyze promotion data sensibly, you must: (1) know how the contractor has defined promotions, and (2) draw on the results of your Review of Personnel Practices (SCRR page 8), to develop some idea of what the probable candidate pool was for the promotions involved.

For example, if you have data on promotion to Crafts II (mid-level), you may determine based on your earlier review of personnel practices that the prime candidate pool is probably Crafts I (lowest level). In that case your IRA would be as follows:

EXAMPLE:	<u>Total</u>	<u>Min.</u>	<u>Nonmin.</u>
Promotions to Crafts II	12	2	9
Persons in Craft I	50	10	40

The minority rate is the number of minority promotions to Crafts II, divided by the number of minorities in Crafts I-- i.e. 2/10 or 20%.

The nonminority rate is the number of nonminority promotions to Crafts II divided by the number of nonminorities in Crafts I--i.e. 9/40 or 22.5%.



To find the IRA, divide the minority rate by the nonminority rate--here, $.20/.225$ or $.89$.

Since the IRA is not adverse, no further entries are needed and your IRA sheet would look like this:

Obviously, you can only conduct this analysis if you can make a fair guess at what the appropriate feeder pool is for promotion, and you would need to confirm the accuracy of that guess onsite. If you cannot make any preliminary determination of probable feeder groups for promotion, you should wait until you are onsite to conduct this portion of the IRA.

TERMINATIONS

Follow the same procedures as for hires and promotions, except that:

1. Since this is a negative personnel action, the IRA is conducted when the rate for minorities, members of a particular minority group, or women is higher than the rate for others.
2. To find the IRA, divide the termination rate for others by the higher minority/female rate.
3. If the IRA is adverse, when you find the expected number, round the result up* to the nearest whole number (i.e. $0.3 = 1$; $6.8 = 7$; etc.).
4. Since in an adverse termination situation, you would expect fewer minorities/women to have terminated, subtract the expected number from the actual.

EXAMPLE: 6 of 40 women terminated (15%); 1 of 10 men terminated (10%), for an IRA of $.10/.15$ or $.67$.

Since the IRA is less than $.8$, find the overall termination rate by dividing the 7 total terminations (6 women + 1 man) by the 50 total incumbents (40 women + 10 men)--i.e. $7/50$ or 14%.



Multiply the overall rate by the number of female incumbents to find the number of women you would have expected to terminate-- i.e., $.14 \times 40$ or $5.6 = 6$.

Since the expected number is 6 and 6 women actually terminated, the difference is zero, and the IRA need not be pursued further.

*The reason for rounding up here (vs. down on hires and promotions) is to eliminate "fractional persons." For example, in a positive action, with 3.7 expected hires and 3 actual, the difference would be .7 "more" of a person hired; similarly, in negative actions, with 4.4 expected terminations and 5 actual, the difference would be .6 "less" of a person terminated. However, see later comments on interpreting IRA results.



For this example, your IRA sheet would look like this:

OTHER ACTIVITY ELEMENTS

You may wish to attach additional IRA worksheets (with headings appropriately modified) for other relevant employment activity information the contractor may provide, such as training data. In determining what information to enter, simply remember that the rate for the groups you are comparing will always be the number of persons selected (for training, for transfer, etc.) divided by the number of persons in the pool eligible for selection. How you define eligible for selection will depend on the situation and the quality of your data.

INTERPRETING IRA RESULTS

IRAs do not stand alone. They must be interpreted in light of surrounding review factors. For example, the above IRA instructions indicate that a difference of less than one whole person need not be pursued. This does not mean cannot be pursued. OFCCP, at its option, may pursue any IRA result--whether adverse or not,* or fractional or not.

*Even where there is no adverse impact in the selection process for a job title, OFCCP has the discretion to investigate further (41 CFR 6/0-3.4C). Desk audit IRAs are normally based on data considerably less refined than job title (i.e. job group or some larger aggregation of titles).

For example, because IRAs are normally conducted on data for contractor formed job groups, IRA results may mask certain kinds of problems, particularly in placement. For example, a workforce analysis may show women concentrated in Assembly and men in higher paying Machine Operations. If blue collar job groups were set up by level--i.e. all entry-level Assemblers and Machine Operators in Operatives III, all mid-level in Operatives II, etc. --hiring IRAs may not be adverse for women, even though women may be discriminatorily placed in Assembly and men in Machine Operations. Therefore, where there is a potential placement problem, further analysis is normally needed irrespective of IRA results in the area.



Similarly, there are circumstances where fractional differences both can and should be investigated. Chief among them is where: (1) the job group involved is seriously underutilized; (2) there were openings; (3) there were minority/female candidates; and (4) none or very few of those candidates were selected. For example, in a blue collar workforce with no women and several openings, if there were 3 female applicants none of whom were hired, the situation would normally warrant investigation irrespective of IRA results.

Also, patterns arising from other job groups need to be considered. For example, if most of the minorities in Professional and Managerial jobs terminated, it would normally warrant investigation irrespective of IRA results in individual job groups within the Professional and Managerial areas.

Thus, while IRA results in terms of the number of people potentially affected may assist in setting review priorities, so too does the contractor's overall activity and workforce patterns.

PAGE 16 - COMPENSATION/OTHER ANALYSES

Item 1: Compensation Analysis--Because a properly done workforce analysis will give the salary rate or range for each job, rather than for each individual holding the job, it is rarely possible to do much compensation analysis at desk audit. You can, however, identify:

- (a) some job titles held by both men and women and/or by both minorities (or members of a particular minority group) and nonminorities, for onsite comparison of actual salaries paid in relationship to the pay range for the job.

For example, minorities or women may be clustered lower in the pay range for the jobs, and a determination would be needed of whether the pattern was due to discrimination. Or, the distribution of minorities or women in the pay range may be similar to that for nonminorities or men, but minorities/women individually may be making less than others who are comparable on the factors the contractor uses to determine pay (seniority, performance evaluations, etc.).

- (b) any titles in which minorities, members of a particular minority group or women are concentrated that appear similar to titles held by nonminorities or men but which are paid less, for onsite examination of potential equal pay problems.

In this area, EOSs should be careful to distinguish between potential equal pay problems and what has been referred to as "comparable worth." In general, Title VII courts have been hostile to the latter concept. Equal pay issues arise only where the jobs involved are the same or "substantially similar." By contrast, in "comparable worth" the claim is not that the jobs are similar, but that different jobs are of the same value.*



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- (c) any information contained in the AAP or support data on broad contractor systems that influence the setting of pay. In this latter area, for example:
- o Are there any guidelines for determining at what pay level a person is hired into/enters a new job?
 - o How are raises determined? Does the contractor have a formal performance appraisal and/or merit pay system?
 - o If you have any information on performance appraisals (forms, etc.), do evaluation standards appear to be tied primarily to objective (measurable) factors--widgets produced, widgets rejected by quality control, dollar volume of sales, customer complaints, etc.--or to subjective ones--cooperation, growth potential, appearance, etc.

Where you find some salary disparities (and/or promotion situations) attributable to ratings on a broad system that is heavily subjective, the analysis can be expanded to determine whether minorities, members of a particular minority group or women as a whole are disproportionately disadvantaged by that system.

*However, if the employer's own study or a study commissioned by the employer found different jobs to be of the same value (normally, fell in the same point range under a formal job evaluation system), but the employer then arbitrarily lowered the pay rate for the job(s) held by one group, the issue is no longer the "worth" of the jobs, but intentional wage discrimination. This was the situation addressed by the U.S. Supreme Court in County of Washington v. Gunther, 452 U.S. 161, 25 FEP Cases 1521 (June 8, 1981).

Item 2: Other Analysis--If applicable, discuss any other analysis conducted of potential discrimination issues.

PAGE 17: SUMMARY OF POTENTIAL DISCRIMINATION PROBLEMS

This page provides for a summary of areas of potential discrimination based on the results of your preceding analyses (review of workforce analysis, IRAs, etc.).



If an onsite review is necessary, this page will be the major part of your onsite plan for the investigation of areas of potential discrimination. In conducting analyses of potential discrimination issues under the Executive Order, OFCCP will follow Title VII principles.

Complete this page as follows:

- o # (a): Assign a number to each potential discrimination problem you have identified.
- o TYPE (IRA, WFA, \$, Com., Other) (b): Indicate how you identified the problem by entering Impact Ratio Analysis (IRA), Workforce Analysis (WFA), Compensation Analysis (\$), Complaint (Com) or Other. More than one method can--and often should--be entered for a single problem, since several methods may contribute to the identification of a problem.
- o POTENTIAL PROBLEM (c): Describe each potential problem. Indicate what the signs of the problem are, and what you suspect may be the causes.
- o INVESTIGATIVE PLAN/ACTION TAKEN (d): For each problem, indicate how you plan to investigate it and the types of information you will need to do so (data, interviews, personnel files, etc.). Be as specific as possible.

Also, if you have taken any action on the plan during desk audit, make note of it here. For example, if you contacted the contractor to ask that certain information (for example, data on Operative hires by title and department; personnel files for certain employees; the contractor's adverse impact determinations by job title in a job group with an adverse IRA; etc.) be ready onsite, note that you did so.

Or, if the contractor has been able to satisfactorily explain an apparent problem during desk audit, note it here. For example, if you contacted the contractor concerning female hires in a job group with an adverse IRA and it turned out to be a data error, note that here--i.e. "Contractor submitted corrected data showing 10 rather than 8 female hires into job group X; IRA no longer adverse."

- o Onsite? (e): Check here any problems you will need to investigate onsite. These items will become your onsite plan for this portion of the review.

NOTE: If you identify additional potential discrimination problems onsite, whether through a plant inspection, interviews or other means, simply add them to this page. Enter "ONS" in column "b" and complete the other columns as indicated.

ONSITE INVESTIGATION

- o # (f): Enter the same number assigned to this problem in column (a).



-
- o Discrimination Found? (g): Enter "Y" for yes or "N" for no to indicate whether the result of your onsite investigation was a finding of discrimination.
 - o If Found, Resolved? (h): If discrimination was found, enter "Y" or "N" to indicate whether the matter has been resolved. If discrimination was not found, leave this column blank.
 - o SUMMARY OF FINDINGS (i): Briefly summarize the results of your investigation of this problem.

For example, if an adverse IRA was explained when it was refined onsite, the summary may be "Minority Crafts I applicants were for Carpentry and Plumbing positions, openings were for Electricians;" or "Female applicants for Accounting jobs all applied after the last opening was filled." Or, if you conducted an individual-type analysis of an adverse IRA and found no discrimination, it may be "Men selected for Drafting jobs were better qualified in terms of the contractor's legitimate criteria than women rejected."

Alternatively, if discrimination was found in an individual type case, the summary may be "Two Black males rejected for Sales positions were better qualified than the nonminorities selected." Or, in a pattern or practice case, it may be "Women completing management training have been channeled into less advantageous departments (pay and progression opportunities) than similarly qualified men."

All summaries must be backed up by case file material, labeled with the item number and issue involved. For some issues, particularly ones that were resolved early through data refinement (see Appendix 3A, Worksheets 17-1 and 2), the case file material alone will be sufficient to explain the summary of findings. For example, in the Crafts I and Accounting instances above, the early resolution was through refining the original IRA to account for the types of jobs and who was in the pool when the selections occurred, and case file EOS notes/worksheets alone would normally be adequate to support the summary.

However, in instances like the Drafting, Sales and management training examples, a supplemental narrative (as described in the next section) would normally be needed.

- o Worksheet(s) Used (j): Give the numbers of any potential discrimination worksheets used in investigating this problem (see Appendix 3A). These worksheets are optional, but, as noted earlier, the key factors highlighted in their instructions must be addressed if the worksheet itself is applicable to the type of problem involved.

For example, in the Crafts I and Accounting instances, Worksheet 17-1 on data refinement would be applicable; in the Drafting and Sales instances, Worksheet 17-3 dealing with individual



comparative cases would be applicable; and in the management training instance, Worksheet 17-4 on pattern or practice cases (and appropriate other class Worksheets) would be applicable.

- o Close-Out Document (k-1): If you plan to include this problem in a close-out document, check "Include?." Leave the "Para. #" column blank until the end of the review.

SUPPLEMENTAL NARRATIVE ON FINDINGS

Where needed to explain and support findings (whether of discrimination or no discrimination), attach a supplemental narrative addressing the facts upon which your conclusion is based, referencing appropriate case file material.

Where your conclusion was discrimination and the matter has been resolved (i.e. is not being referred for enforcement), in addition to factual findings, address:

- (1) how those findings present a prima facie case of the type of discrimination alleged (see Chapters 3 and 7);
- (2) the contractor's response and why it does not rebut the violation and/or is a pretext for discrimination (with reference to appropriate case file material);
- (3) the remedy obtained and the basis on which it was determined (with reference to appropriate case file material).

If a discrimination finding is being referred for enforcement, see Chapter 8.

PAGE 18: DESK AUDIT SUMMARY

This page lists the major topical areas covered by the SCRR, with space to enter whether a problem was identified in those areas normally covered at desk audit.

This page is optional for EOSs who do not need supervisory approval for an onsite review, but mandatory for EOSs who need such approval. As applicable, complete this page as follows:

1. UNRESOLVED PROBLEMS?

- o YES/NO: Indicate, by checking yes or no, if there are any unresolved problems in the major topical areas listed.



- o Notes: This column may be used for any of the following purposes:

If an area is not applicable, say so in the Notes column. For example, if there are no complaints against this contractor, the item under Preparation concerning Potential Systemic in Complaint Areas will be "Not Applicable."

If there are any areas where your analyses could not be completed properly because of poor desk audit data, say so in this column. For example, on the topic "Good Faith Effort" if the contractor did not provide data on placements during the AAP year into job groups with goals, the entry may be "no placement data; will analyze onsite."

- 2. ONSITE? Based on the unresolved problems above, check YES or NO to indicate whether you are recommending an onsite review, and give supplementary comments if needed.

OPTIONAL SCRR WORKSHEETS

INSTRUCTIONS

The following SCRR worksheets may be used as applicable/needed.

EEO-6 PERSONNEL ACTIVITY

When you are doing a university review, substitute this worksheet --which has EEO-6 category headings--for SCRR page 5 (EEO-1 Personnel Activity), and complete it according to the instructions for SCRR page 5.

EEO-6 TREND ANALYSIS WORKSHEET

When you are doing a university review, substitute this worksheet --which has EEO-6 category headings--for SCRR page 6 (EEO-1 Trend Analysis), and complete it according to the instructions for SCRR page 6.

TECHNICAL REQUIREMENTS WORKSHEET



This worksheet may be used in determining whether the contractor has fulfilled the technical requirements included in the Executive Order, Section 503 and 38 U.S.C. 4212 Equal Employment Opportunity/ Affirmative Action clauses of its Federal contracts. Complete this sheet as follows:

- o Describe Contractor Actions/How Verified - For each listed item, verify that the contractor has taken the indicated action and briefly state how you made your determination.

For example, under item 3 concerning EEO postings: "EEO posters and policy statement addressing EO/503/4212 are posted in Personnel Office, outside cafeteria and next to job posting bulletin boards."
- o Problem? (EO/D/V) - If the contractor has not taken adequate action on an item, enter the following code for the program(s) involved: Executive Order (EO), Disability (D), Veterans (V).
- o Resolved? - If a problem was identified, enter "Y" for yes or "N" for no to indicate whether it was resolved.
- o Close-Out Document - If you intend to include this item in a close-out document, check "Include?". Leave the "Para. #" column blank until the end of the review.

Also, at the bottom of this Worksheet, check [] to indicate that the requirements of the Immigration Reform and Control Act (IRCA) were discussed with the contractor and that an Immigration and Naturalization Service (INS) Forms I-9 inspection was conducted.

JOB AREA ACCEPTANCE RANGE (JAAR)

This worksheet may be used to supplement review of the workforce analysis (SCRR page 14). It can be useful when areas of concentration/underrepresentation of minorities, a particular minority group or women (hereafter minorities/women) are not immediately apparent, or when a more precise estimate of the relative degree of concentration/underrepresentation is needed.

The JAAR analyzes the distribution of employees in a workforce by comparing the actual percentage of minorities/women in a job or department to that which one would reasonably expect given their percentage representation in the relevant larger segment of the contractor's workforce. Since we expect only approximate matches between these proportions, the JAAR utilizes an 80 percent rule of thumb. More specifically:

If minorities/women are utilized in a job area within +/- 20 percent of their representation in the larger relevant workforce sector, there is no concentration or underrepresentation. If their representation in a job



area is above the JAAR range it is a concentration; if it is below the JAAR range, it is an area of underrepresentation.

The proper use of the JAAR is restricted to situations where, absent discrimination, you would expect minorities/women to be fairly evenly distributed throughout the broad sector on which the JAAR is based. Even then, the JAAR is only an indicator of a potential problem area and should not be confused with proof of employment discrimination.

This worksheet may be used for minorities, for a particular minority group, for women, or for all at the same time. For each broad sector, compute JAARs for the group(s) you intend to examine.

BROAD SECTOR

- o **NAME** (a): Enter the name of the broad workforce sector whose minority or female representation you will be comparing with their representation in the smaller job areas within that sector.



For example, you could compare minority representation in the blue-collar workforce as a whole with their representation in departments within that workforce. Or, you could compare the representation of women in the Operatives EEO category with their representation in lines of progression within that category.

- o TOT. # (b): Enter the total number of employees in the broad workforce sector listed in (a).
- o MIN/FEM (c-d): Check [] the minority or female column to indicate for which group you will make the JAAR calculation. If you are conducting a JAAR for a particular minority group, substitute its name for "MIN" in the column heading for (c) and above columns (i)-(k).

If you want to look at more than one group in this broad sector, immediately under entries for the first group, complete the same columns for the second group.

- o # (%) (e): Enter the number of the group you are examining in the broad sector and, in parenthesis, the percentage they are of total employees in that sector.
- o JAAR (f): The JAAR is a range plus and minus 20% of the percentage in column (e). Therefore, first multiply the percentage in (e) by .2. Then add and subtract the result from (e).

EXAMPLE: The broad sector is 15% female. To find the JAAR, first multiply .15 times .2, resulting in .03. Then subtract .03 from .15 to find the lower end of the JAAR, and add .03 to .15 to find the upper end of the JAAR. The resulting JAAR is .12 to .18 or 12% to 18%. Any figure below 12% would be an underrepresentation, and any figure over 18% a concentration.

JOB AREA BEING ANALYZED

- o NAME (g): Enter the name of the job area [within broad sector (a)] you are analyzing.
- o TOT. # (j): Enter the total number of employees in the job area.



- o MIN. (i-k): In column (i) enter the number and percentage of minorities (or of a particular minority group) in the job area. If the percentage is above the high end of the minority (or particular minority) JAAR, check column (j) to indicate concentrated. If it is below the low end of the minority (or particular minority) JAAR, check column (k) to indicate underrepresented.
- o FEM. (l-n): In column (l), enter the number and percentage of women in the job area. If the percentage is above the high end of the female JAAR, check column (m) to indicate concentrated. If it is below the low end of the female JAAR, check column (n) to indicate underrepresented.
- o NOTES (o): Use this space to enter any information you have at desk audit which is relevant to whether the job area being analyzed is one that is advantageous or disadvantageous relative to the other job areas in the broad workforce sector on which you based the JAAR.

For example, if you have salary information at desk audit, is the job area being analyzed relatively high paid or relatively low paid when compared with others in the broad sector? When you're looking at salary information for job areas, be aware that it is not just a matter of which ones have the highest paid job(s), but the relative opportunities a person probably would have to reach the highest paid jobs--i.e. there is a big difference between a "job area" with 50 entry level positions and 5 highly paid ones and a "job area" with 10 entry level positions and 40 highly paid ones.

Other factors to consider, assuming you have a knowledge of the industry, are probable working conditions, probable opportunities for mobility beyond the "job area," etc.



APPENDIX 2B: SOURCES FOR OBTAINING AVAILABILITY STATISTICS FOR USE IN PREPARING AFFIRMATIVE ACTION PROGRAMS

o Department of Employment Security, Research Division

Each State's Department of Employment Security's Research Division has the following information available:

- (a) Information on population, labor force, and unemployment; by State, MSA, and county(ies) - annual updates
- (b) Commuting Patterns; indicating local commuting patterns from residence to work by relevant labor market area.
- (c) Occupational staffing patterns by industry; derived from the occupational statistics survey conducted by Research Divisions in individual states, under contract by the Bureau of Labor Statistics.
- (d) 1980 Census publication, General Social and Economic Characteristics; ethnic breakout indicating population, labor force, unemployment and employment characteristics by industries; employed persons by occupations (EEO-1 categories).

o U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. 20210

- (a) Geographic Profile of Employment and Unemployment; population, employment and unemployment for states and MSA by race and sex. Contact: Division of Local Area Unemployment Statistics (202) 523-1002
- (b) Employment and Earnings; Table 22, Employed Civilians by Detailed Occupations, by race and sex (nation-wide statistics only). Contact: Division of Labor Force Statistics (202) 523-1944

o U.S. Department of Commerce

- (a) National Technical Information Service (NTIS), 5385 Port Royal Road, Springfield, Virginia 22161, Contact: Telephone # (703) 487-4076.



NTIS maintains the Social Economic Environmental Demographic Information System (DIS) which contains:

- Report #1 Population Characteristics
- Report #2 Employment and Training Indicators
- Report #3 Social Indicators for Program Analysis, Planning, Evaluation
- Report #4 Racial/Ethnic Socio-Economic Profiles
- Report #5 Equal Employment Indicators
- Report #6 Journey to Work Patterns
- Report #7 Labor Force Estimations.

Report Number 5 is the one most useful to contractors when considering requisite skill factors. NTIS advises that this information is available to the public for a nominal price.

- (b) Bureau of the Census, Population Division, Labor Force Statistics Branch, Washington, D.C. 20233, Contact: Telephone # (301) 763-8199.

This Branch can provide labor force availability and occupational data and technical assistance in interpreting these data.

APPENDIX 2B: THE 1990 CENSUS OF THE POPULATION

1. SUBJECT: The 1990 Census of the Population, Detailed Occupational Data, Equal Employment Opportunity Special File.
2. PURPOSE: To inform field staff about the availability of the detailed occupational data from the 1990 Census of the Population, Special EEO file and to require its use in affirmative action plans beginning January 1, 1993.*
3. ORIGINATOR: Division of Policy, Planning and Program Development.
4. BACKGROUND: The Bureau of the Census has released the detailed occupational data from the 1990 Census of the Population. These data are available in the Equal Employment Opportunity Special file (Special EEO file). It provides race, gender and national origin data for counties, metropolitan areas, states and the nation for 512 occupational categories. This file differs from the regular Census



by providing separate data for White, not Hispanic and Black, not Hispanic. Therefore, it eliminates the double counting for some minority groups.

5. INSTRUCTIONS: Effective January 1, 1993,* all affirmative action programs developed on or after that date must use the detailed occupational data from the 1990 Census of the Population, Special EEO file. After January 1, 1993, use of the earlier Census will not be acceptable.

signed October 23, 1992

*A Director's memorandum of 12/21/92: (1) authorized RDs to extend this date to 4/1/93 if a contractor was unable to obtain the referenced census data in time to update its AAP by 1/1/93. By 4/1/93, however, all 1993 AAPs must use 1990 census data; and (2) noted that the Special EEO File has detailed occupational civilian labor force data, but data on minority population is provided in the full 1990 census, and the most recent data on minority and female unemployment is provided by State Employment Security Agencies.



Attached is a list of the addresses and telephone numbers for the data centers from which the detailed occupational data from the Special EEO file can be obtained.

These are state data centers which can provide the occupational data for the counties, metropolitan areas and states throughout the country. These centers will provide these data for a nominal fee, usually the cost of duplication or printing. Some may be able to provide the data on diskettes.

Not all of these data centers have the detailed occupational data for the entire country. The nationwide data may be obtained from the Government Printing Office. In addition, the Bureau of the Census will be selling the entire Special EEO file on data tape and CD-ROM. The CD-ROM version will cost \$150.00.

Upon request, this information should be provided to contractors and subcontractors. Requests for the detailed occupational data from the 1990 Census of the Population should be referred to the appropriate data center or the Government Printing Office.

6. ATTACHMENT: 1991 Census Catalog & Guide.
7. RESPONSIBILITY: All OFCCP Professional Staff.
8. DISTRIBUTION: A, B, C



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