



OFCCP INFORMATION

Office of Federal Contract Compliance Programs

Compliance requirements:

Generally speaking, any business or organization that holds a single Federal contract, subcontract, or Federally assisted construction contract in excess of \$10,000.00 or has Federal contracts or subcontracts that combined total in excess of \$10,000.00 in any 12-month period will be subject to requirements under one or more of the laws enforced by OFCCP. Additionally, an organization that provides goods or services to a prime contractor that are used in the performance of a federal contract are considered federal-subcontractors and are subject to OFCCP compliance as well.

In 2005, the OFCCP required prime contractors to report the suppliers from whom they purchased \$ 50,000.00 per year or more in goods or services that were used in the performance of their contracts. In 2006, the OFCCP's budget was increased by 15% and the enforcement division in Washington took back the responsibility for providing notices to organizations for audits. In 2006, 8,000 firms are projected to receive desk audit notices, 2,000 notices going out each quarter. Second quarter notices are now going out in the mail. Initial notices sent to the employer are simultaneously sent to the local OFCCP office to whom the employer must submit the required compliance data.

For more information on these requirements, visit www.ofcccomply.com .

Enforcement:

There are three steps that may be taken by the local OFCCP compliance office to enforce compliance:

Step 1. Upon receipt of a desk audit notice, the employer is required to provide the following:

- A written Affirmative Action Plan
- Compensation analysis
- Flow logs
- Certification that the employer has a system in effect to differentiate qualified applicants from job seekers and to retain that data for analysis by each step in the selection process

If these items are submitted and the review is favorable, the desk audit is closed out. If not, then the local OFFCP office moves to step 2.

Step 2. OFCCP schedules an onsite compliance review at the location where the employer's records are kept. This step may include differential salary or pay analysis in addition to a review of selection practices.

Step 3. If the records reviewed in Step 2 are not acceptable or the employer's selection or compensation practices are perceived as deficient, then the OFCCP may implement a full compliance audit. The full compliance audit generally takes several weeks and involves complete review of the employer's compensation and selection practices, including interviewing personnel and reviewing all relevant company records.

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If an employer has 50 employees and a federal contract worth \$50,000.00 or more or is selling, renting, or leasing goods or services totaling \$50,000.00 per year to entities who use the employer's goods or services in the performance of federal contracts, then the employer needs to have a written Affirmative Action Plan and a system to collect and maintain the data needed for compliance with EEOC reporting and differentiating applicants from jobseekers per the OFCCP definition of an applicant. To be considered an applicant under the OFCCP definition, a person must meet the following:

1. The individual submits an expression of interest in employment through the Internet or related electronic data technologies.
2. The contractor considers the individual for employment in a particular position.
3. The individual's expression of interest indicates the individual possesses the basic qualifications for the position.
4. The individual at no point in the contractor's selection process (prior to receiving an offer of employment from the contractor) removes himself or herself from further consideration or otherwise indicates that he or she is no longer interested in the position.

It is the employer's responsibility to differentiate every person who applies for a job according to this definition and to retain the data showing how the differentiation was accomplished. Thus, employers who must comply need an effective system to obtain and retain this data for both EEOC and OFCCP reporting and compliance.

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