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Related Practices

Labor & Employment Relations

Notices of Pending Compliance Reviews Issued to Contractors

Government contractors should take note that the Office of Federal Contract Compliance (OFCCP) recently issued prescheduling notices to advise federal contractors that an establishment may be the subject of a compliance review.

Commonly referred to as CSALs, the Corporate Scheduling Announcement Letters recently sent went directly to local facilities, rather than the corporate headquarters of the companies that may be subject to the review. Therefore, contractors and subcontractors should immediately determine whether any facilities received the notice. Whether a compliance review actually occurs following receipt of the CSAL depends on the workload within the District Office which will conduct the review. These letters are sent to establishments twice in a federal fiscal year cycle (October 1 through September 30). This is the second of two scheduling notices in this current fiscal year.

Among the highlights of the establishments selected for compliance reviews are:

- Total establishments to be reviewed: 2,193
- Number of companies represented: 856
- Number of industries: 17 (based on 2-digit NAICS Code)
- Number of corporate management compliance evaluations^[1]: 40

The OFCCP indicates that federal contractor establishments are selected for compliance evaluation based on the neutral Federal Contractor Selection System, which involves a variety of factors, starting with those contractors listed on the Federal Procurement Data System. Thereafter, the EEO-1 employer information reports, Dun & Bradstreet data, census data and statistical thresholds such as industry type and the employee counts for the federal contractor establishments are used. Notably, the first and 25th establishment listed for a

compliance review in each District Office list are identified for a full compliance review per the Active Case Enforcement Directive (ACE).

In scheduling reviews based on the FY2014 list, the OFCCP may schedule compliance reviews for up to 35 establishments for each corporate parent, and may also schedule compliance reviews for contractors not on the list for the pre-award and Functional Affirmative Action Plan compliance, as well as directed review and Conciliation Agreement follow up.

[1] Standard compliance review plus emphasis on management development and selection.

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