

## **Office of Federal Contracts Compliance Programs**

### **Methodology for Developing the Supply and Service Scheduling List FY 2022, Release – 1**

The FY 2022 Release 1 supply and service scheduling list contains federal contractors and federal subcontractors. To create this scheduling list, OFCCP downloaded information for federal contracts and subcontracts valued over \$50,000 from the USAspending database. This scheduling list includes 400 compliance evaluations for federal contractors and subcontractors covering establishment-based reviews, Corporate Management Compliance Evaluations (CMCE) reviews, and Functional Affirmative Action Program (FAAP) reviews.

For this scheduling list, OFCCP focused on industries that have experienced employment growth during the pandemic. This includes a large proportion of industries expected to receive significant federal investments for infrastructure and economic recovery. The agency scheduled a larger proportion of establishments from those industries in which the average hiring rate increased after March 2020, the onset of the economic impact of the pandemic, relative to a baseline established from hiring rates in the years before the pandemic (2014-2020). To analyze hiring activity, the OFCCP utilized the Job Offers and Labor Turnover Survey, commonly referred to as JOLTS, as provided to the public by the U.S. Bureau of Labor Statistics (BLS).

Using neutral criteria, OFCCP developed and implemented a statistical methodology to conduct predictive modeling for the purpose of selecting federal contractor and subcontractor establishments for this scheduling list from among the industries identified based on the factors in the preceding paragraph. This model incorporated an analysis of EEO-1 Component 1 data to identify instances in which representation of demographic groups within EEO-1 job categories differs from industry and local labor market averages.

OFCCP initially created this list by downloading data that included contractor name, contractor address, contract dollar value, expected start date, prime contract expected completion date, North American Industry Classification System (NAICS) code, Data Universal Numbering System (DUNS) number, and prime contract awarding agency name. The date range for the prime contracts data download was January 1, 2020 to December 31, 2020, and the date range for the subcontracts data download was June 22, 2021 to December 22, 2021. Contracts awarded to federal, state, local, municipal, tribal, city, and foreign governments, school districts, or construction companies were removed. Duplicate records were identified and removed from the file. Healthcare contracts that fall under OFCCP's Final Rule: Affirmative Action and Nondiscrimination Obligations of Federal Contractors and Subcontractors: TRICARE Providers, 85 FR 39834 (July 2, 2020), and OFCCP's Extending the Scheduling Moratorium for Veterans Affairs Health Benefits Program (VAHBP) Providers Directive (DIR 2021-01) were removed. Contract records expiring on or before May 1, 2022 and contractors that were included in the FY 2021 supply and service scheduling list were removed.

For prime contracts, contract records were further consolidated at the parent level to capture all contracts held by each parent company. If a parent had multiple contracts or multiple establishments with contract(s), the contract record with the farthest estimated completion date

was retained and the other contract numbers were listed under “Other Contracts.” To identify the supply and service prime contractors within OFCCP jurisdiction, parent company names and addresses were matched against the EEO-1 filings of the contractor.

OFCCP extracted all EEO-1 establishment units for all parent records with a federal contract within the family tree and identified units with at least 50 employees for inclusion in the eligible pool of federal contractors. The extracted establishments that did not have direct contracts fell within OFCCP’s jurisdiction because their parent entity had a covered contract(s). For companies that had FAAP agreements with OFCCP, functional units were added to the eligible pool of federal contractors. Establishments that were listed as per their active FAAP agreements were retained, and establishments where employees were included within FAAP units were removed.

For subcontracts, OFCCP matched subcontractor company names and addresses against the EEO-1 filings of the contractor and identified units with at least 50 employees for inclusion in the eligible pool of federal subcontractors.

OFCCP cross-referenced all eligible federal contractors and subcontractors with the agency’s compliance management system (CMS) to remove establishments that were under review or in a monitoring period, or were pending scheduling for review from a prior scheduling list, as of the release date of this scheduling list. Functional units and establishments that were exempt due to an Early Resolution Conciliation Agreement (ERCA) or establishments that had an active separate facility waiver were also removed.

After OFCCP applied the statistical model described above, the agency used the following criteria to finalize establishment and CMCE reviews: (1) OFCCP did not include more than four establishments of any parent company; and (2) OFCCP selected two CMCE reviews per region using the same methodology as establishment reviews. For FAAP reviews, OFCCP selected two functional units with the highest employee count in each region.

Initially, OFCCP assigned District Office codes and regions to each establishment or unit based on the postal address. Where a parent company has three or four establishments on the scheduling list, OFCCP reassigned these compliance reviews to the same region so that both the agency and the contractor can engage in these reviews in a coordinated manner. The compliance evaluations were assigned to regions and their district offices based on available staff, measured in full-time equivalents (FTE) as of January 24, 2022.

Regions have the ability to transfer cases across their district offices to balance their workload, or across regions when appropriate. Once OFCCP identified all establishments for this scheduling list, the agency uploaded the list into CMS and appended it to district offices’ lists of unscheduled establishments. OFCCP does not purge unscheduled cases from prior lists before releasing a new scheduling list.

DISCLAIMER: OFCCP’s decision to publish its scheduling methodology is voluntary. OFCCP has no legal obligation to publish its methodology and will revisit the decision to publish its scheduling methodology each time the methodology is revised.