

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
KLX, Inc.

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the KLX, Inc. (KLX or Contractor) establishment that was located at 10000 NW 15th Terrace, Doral, Florida 33172 beginning on August 10, 2018. On October 9, 2018, Boeing Distribution Services, Inc. (BDSI or Contractor) acquired KLX. OFCCP alleges that KLX was not in compliance with Executive Order 11246, as amended (E.O. 11246 or the Executive Order) and its implementing regulations at 41 Code of Federal Regulations (CFR) Chapter 60, Sections 60-1 through 60-3. OFCCP has not issued any formal notice of alleged violations regarding the establishment and there have not been any adjudicated findings. Contractor denies the allegations. BDSI is identified as a party to this Agreement solely as the successor to KLX, Inc. BDSI did not own KLX, Inc. during the time periods involved in the alleged noncompliance.

In the interest of resolving the alleged violations without engaging in further legal proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and KLX's successor, BDSI, enter into this Conciliation Agreement (Agreement) and its attachments, and the parties agree to all the terms therein.

The attachments to this Agreement are incorporated herein.

II. General Terms and Conditions

1. In exchange for Contractor's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246, based on the alleged violations described in Section III below. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Contractor violates any provision of this Agreement, as set forth in Paragraph 11, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review Contractor's compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Contractor will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all hard copy or electronic reports and documents it requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves Contractor of its obligation to fully comply with the requirements of E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended (Section 503), the Vietnam Era Veterans Readjustment Assistance Act of 1974, as

amended (VEVRAA), their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.

4. Contractor and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246.
5. Contractor agrees that it will not retaliate against any potential or actual beneficiary of this Agreement or against any person who files a complaint, who has provided information or assistance, or who participates in any manner in any proceeding in this matter.
6. The parties understand the terms of this Agreement and enter into it voluntarily.
7. This Agreement, including its attachments, constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains all of the terms binding the parties and it supersedes all prior written and oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing and signed by all parties. If an administrative error is found, OFCCP will work in good faith with all parties to make the corrections.
8. This Agreement becomes effective on the day it is signed by the Regional Director of the Southeast Region (Effective Date).
9. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
10. This Agreement will expire sixty (60) days after Contractor submits its final progress report required in Section VII, below, unless OFCCP notifies Contractor in writing before the expiration date that Contractor has failed to fulfill all of its obligations under the Agreement. In this instance, the Agreement is automatically extended until the date that OFCCP determines that Contractor has met all of its obligations under the Agreement.
11. If Contractor violates this Agreement:
 - a. The procedures at 41 CFR 60-1.34 will govern:
 - i. OFCCP will send Contractor a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. The Contractor shall have fifteen (15) days from receipt of the notice to respond, except in those cases in which such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - iii. If Contractor is unable to demonstrate that it has not violated the Agreement, or if OFCCP's alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement.

- iv. In the event of a breach of this Agreement by the contractor, OFCCP may elect to proceed to a hearing on the entire case and seek full make-whole relief, and not be limited to the terms agreed to in the Agreement.
 - b. Contractor may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-1.27 and/or other appropriate relief for violating this Agreement.
- 12. This Agreement does not constitute an admission by KLX and/or BDSI of any violation or non-compliance by KLX and/or BDSI with the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.
- 13. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
- 14. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than OFCCP.
- 15. Each party shall bear its own fees and expenses with respect to this matter.
- 16. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to any OFCCP policy, practice or position in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.
- 17. All references to “days” in this Agreement, and in the Timeline included as Attachment B, are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.

III. Alleged Discrimination Violations

- 1. **Alleged Race Discrimination in Hiring:** OFCCP alleges that KLX is not in compliance with the nondiscrimination requirements of the equal opportunity clause of E.O. 11246 section 202 and 41 CFR 60-1.4(a)(1). Specifically, OFCCP found statistically significant differences in the hiring rates of Black and White applicants for Material Handler I positions when compared to similarly qualified Hispanic applicants during the period August 23, 2016 through August 23, 2018, resulting in a shortfall of 23 black hires and 5 white hires.

IV. Financial Remedy

1. Settlement Fund

- a. **Settlement Fund.** The total Settlement Fund amount is \$402,500.00, consisting of \$336,289.00 in back pay and \$66,211.00 in interest to resolve specific violations set

forth in Section III. The settlement fund is a negotiated amount that represents estimated back pay and accrued interest. Contractor's share of taxes on the portion representing back pay (such as federal, state and/or local taxes and Federal Income Contributions Act (FICA)) is not part of the Settlement Fund. Contractor will be responsible for any banking account fees.

2. Allocation

- a. **Total Amount to be Allocated.** The back pay and interest amounts of the Settlement Fund will be distributed among the Class Members as explained in this Section. Individual shares will reflect appropriate deductions for each individual's share of payroll deductions required by law on the portion representing back pay only, such as federal (FICA/Federal Unemployment Tax Act (FUTA)), state or local insurance premiums or taxes.
- b. **Affected Applicants Eligible to Receive Payments.** The Settlement Fund will be distributed to all Affected Applicants (identified in Attachment A) who timely respond to the Notice Process as explained below, and whose eligibility is verified (hereinafter, Class Member)¹. These individuals will be listed on the Final List of Class Members (Final List). The process of determining the Final List is explained below under Notice Process. The Settlement Fund will be distributed to the Class Members on the Final List in equal shares. All Class Members are entitled to their share of the monetary settlement regardless of whether they are currently interested in employment with Contractor.
- c. **Payments to Class Members.** OFCCP will provide Contractor a list of the payment amount for each Class Member on the Final List by the date set forth on the Timeline. Contractor will issue checks to each Class Member in the stated amount by the date set forth on the Timeline. Reasonable efforts will be made to ensure that all Class Members listed on the Final List have an opportunity to claim their portion of the settlement. Where it is determined that a Class Member did not receive a check or that a check was lost, OFCCP and the Contractor will work together to provide a replacement check before any funds are redistributed to other class members. Any checks that remain uncashed 120 days after the initial date checks were mailed to the Class Members will be void. With respect to any uncashed funds, Contractor will make a second distribution to all Class Members who cashed their first check by the deadline set forth in the Timeline. Any second distribution check that remains uncashed 45 days after the date the second distribution was mailed to the Class Member will be void. If the second distribution would involve a payment to each Class Member of less than \$50, the residual amount will instead revert to Contractor to provide training in equal employment opportunity to its personnel. Any funds resulting from the second

¹ With respect to the financial remedy, the term "Class Member(s)" refers to the individuals listed in Attachment A who timely respond to the Notice Process as explained below, even if they are currently employed by Contractor.

distribution checks remaining uncashed after 45 days, will also revert to Contractor to provide training in equal employment opportunity to its personnel.

- d. **Tax Payments, Forms, and Reporting.** Contractor will pay the Contractor's share of social security withholdings, and any other tax payments required by law from additional funds separate from the Settlement Fund. Contractor shall mail to each Class Member who receives and cashes a settlement check an IRS Form W-2 for that portion of the payment representing back pay and an IRS Form 1099 for that portion of the payment representing interest. These IRS forms will be provided to the Class Members either at the time of payment, electronically or with the settlement checks, or at the end of the year. No Class Member will be required to complete a W-4 or W-9 in order to receive payments under this settlement.² Pursuant to the Tax Cuts and Jobs Act (TCJA), OFCCP will report to the IRS via a form 1098-F when an employer (or individual) is required to pay fines, penalties, restitution, remediation, or other costs in excess of \$50,000 as a result of a violation of law or an investigation or inquiry into a violation of law.³ OFCCP and Contractor agree that the full amount of the Settlement Fund payable under this Agreement constitutes restitution within the meaning of Section 162(f)(2)(A)(i) of the Internal Revenue Code of 1986, as amended, and Section 1.162-21(b)(1) of the U.S. Treasury Regulations, and further agree that both OFCCP and Contractor will report the Settlement Fund as such on form 1098-F, any applicable tax return and any other filing with the IRS, unless otherwise required by law.

3. Notice Process

- a. **OFCCP and Contractor Obligations under the Notice Process.** The Notice Process set forth in this Agreement is intended to provide Affected Applicants a meaningful opportunity to understand their rights and obligations and act on them in a timely manner. This includes providing notice in multiple relevant languages to the affected workers and through multiple channels if appropriate and providing technical assistance to Affected Applicants seeking information about their rights and obligations under this Agreement. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, Contractor and OFCCP will regularly meet and confer in person, by phone and/or by email on the notice process to determine how best to carry out the Notice provisions of this Agreement, and to decide whether any activity, deadline or document should be modified. OFCCP and Contractor agree not to unreasonably withhold consent to reasonable modifications proposed by either party.
- b. **Notice Documents.** Contractor will distribute the Notice Documents contained in Attachment C to Affected Applicants identified in Attachment A. The Notice Documents include the Notice, Release of Claims and Information Verification & Employment Interest Forms. The Notice Documents will make clear the information

² IRS guidance states that an employer can assume a single deduction in the absence of a W-4 form. *See 26 CFR 31.3402(f)(2)-1(a)*.

³ The IRS issued its implementing regulations in January 2021.

<https://www.federalregister.gov/documents/2021/01/19/2021-00741/denial-of-deduction-for-certain-fines-penalties-and-other-amounts-related-information-reporting>

about the settlement is being provided by or on behalf of the U.S. Department of Labor. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, the parties will meet and confer on any reasonable modifications of the Notice Documents or additions to the materials distributed by Contractor, if proposed by either party.

- c. **Timeline.** Attachment B sets forth the agreed Timeline for the Notice Process and for the parties' other obligations under this Agreement. The parties will meet and confer on any reasonable modifications to the Timeline proposed by either party.
- d. **Search for Affected Applicants.** OFCCP shall provide Contractor with complete contact information in its possession or its authority to obtain on the Affected Applicants by the date set forth in the Timeline.
- e. **Distribution of Notice to Affected Applicants.** Contractor will provide the Notice Documents contained in Attachment C by both regular first-class mail and by email, if an email address is available. Contractor will send copies of the Notice Documents as defined above by email and by first class mail, including a postage-paid return envelope, to the mailing address for each Affected Applicant, by the date set forth in the Timeline. If envelopes from the initial mail notice are returned with forwarding addresses, Contractor will re-mail the Notice Documents within ten days of receipt of the forwarding address.

On a biweekly basis, Contractor will notify OFCCP of all letters returned as undeliverable and will re-mail the Notice Documents to Affected Applicants for whom OFCCP provides an updated mailing or email address within ten days of receiving it from OFCCP.

Per the Timeline, Contractor will provide OFCCP the names of the Affected Applicants who did not respond to the Notice Documents, or who failed to return both forms or sign a form as required. Based on the response to the initial mail notice, the parties will meet and confer by the date set forth in the Timeline to assess the results of the initial mail notice and to ensure that the second round of mail notice maximizes the potential response rate. Contractor will send a second mail notice to Affected Applicants with valid addresses who fail to respond to the first mail notice by the date set forth in the Timeline unless the parties agree otherwise.

- f. **Distribution of Notice by Other Means.** Contractor shall work with OFCCP to develop a recommended plan for Notice by other means in addition to first class mail and email. OFCCP may also conduct independent efforts to communicate with Affected Applicants about this Agreement through official U.S. Department of Labor channels and in partnership with community-based organizations.
- g. **Notice Deadline.** The final deadline for any Affected Applicant to respond to the notice is set forth in the Timeline. This deadline will be prominently displayed on the Notice Documents, which will also explain that failure to respond by this deadline will result in a forfeiture of any relief provided by this Agreement.

- h. **Technical Assistance.** The parties will timely respond to any inquiries from Affected Applicants using information consistent with this Agreement and the Notice Documents and will document all inquiries and the result. OFCCP will provide contact information for individuals to contact OFCCP regarding this Agreement. The parties will prominently display this contact information for both Contractor and OFCCP on all materials they distribute in paper or online form regarding this Agreement.
- i. **Exchange of Information Regarding Affected Applicants.** The Contractor and OFCCP will timely exchange information regarding Affected Applicants, including updated contact information and the results of any technical assistance provided.
- j. **Final List of Class Members.** The Final List will include all Affected Applicants who timely respond to the Notice and submit the Verification of Information and Interest Form and Release of Claims by the deadline set forth in the Timeline and whose eligibility is verified by OFCCP. The parties will establish the Final List by the date set forth in the Timeline. The parties will meet and confer on any outstanding issues or questions regarding the Final List. Either party may identify additional potential Affected Applicants who may have been erroneously excluded from the original or any subsequent list. OFCCP shall make the final determinations of eligibility but will make every effort to negotiate in good faith to resolve any dispute about the Final List. The Contractor will provide to OFCCP any information necessary to determine the Final List.
- k. **Documentation of Payments.** By the deadline set forth in the Timeline, the Contractor will provide OFCCP with information on all payments to Class Members, including the amounts paid, the date payment was sent, the date payment was received or the check cashed, and any uncashed or returned checks. In the event of a second distribution, the Contractor will provide the same information regarding the second distribution.
- l. **Contractor's Expenses.** Contractor will pay all expenses associated with carrying out its duties pursuant to this Section, from funds separate and apart from the amount designated in this Agreement for the Settlement.

V. Additional Individual Relief

- 1. **Description of Job Opportunities.** As vacancies occur in Shipping/Receiving Specialist A⁴ positions, Contractor shall make bona fide job offers with retroactive seniority to Class Members who have expressed interest in employment and are not currently employed in the job at issue by Contractor until 11 Class Members are hired in Shipping/Receiving Specialist A positions or until the list of Class Members expressing an interest in employment is exhausted, whichever comes first. Contractor will make its best effort to distribute the 11 hires as follows: at least 6 Black hires and 5 White hires. Class Members

⁴ BDSI does not have Material Handler I positions. The corresponding position at BDSI is now the Shipping/Receiving Specialist A position.

who meet the current minimum qualifications for the Shipping/Receiving Specialist A position will have priority over all other candidates for hire into Shipping/Receiving Specialist A positions until 11 Class Members are hired or until the list of Class Members expressing an interest in employment is exhausted, whichever comes first. As vacancies occur in Shipping/Receiving Specialist A positions, Contractor shall contact the Class Members with a written job offer in the order in which they submitted their Information Verification & Employment Interest Form or, if the Forms were received on the same day, in the order of their original application date. Contractor will make at least two attempts by phone and two attempts by email to contact qualified Class Members who have expressed an interest in employment with Contractor on the Information Verification & Employment Interest Form.

The report-to-work date for Class Members hired pursuant to this Agreement shall be no later than fourteen (14) days after all post-offer contingencies have been met. The Class Member must report to work on the day designated or provide Contractor notice of good cause for their absence on or before that date. If good cause is provided, the Class Member must report to work within five (5) days of the original designated start date. Otherwise, Contractor may withdraw the job offer and shall be under no obligation to hire the Class Member under this Agreement but remains obligated to hire until 11 Shipping/Receiving Specialist A positions are filled or the list of Class Members is exhausted, whichever comes first.

Contractor agrees to pay Class Members hired under this provision at least the current entry level wage based on applicants' qualifications for Shipping/Receiving Specialist A positions and provide all regular and on-the-job training currently provided to employees in that position. Class Members hired into Shipping/Receiving Specialist A positions must receive retroactive seniority of 18 months for all purposes, including but not limited to wage rate, job retention, job bidding, and benefits.

2. **Reporting.** Contractor will document the job offers and hires, including job offers made, reasons for rejection, and Class Members hired and terminated during the monitoring period as set forth in Section VII, OFCCP Monitoring Period, below.

VI. Modifications to Employment Practices and Other Non-Monetary Relief

1. **Compliance.** Contractor will ensure that all applicants are afforded equal employment opportunities. Contractor agrees to continue and/or to implement the corrective actions detailed below.
2. **Hiring Process.**
 - a. **Nondiscriminatory Selection Procedures.** Contractor agrees to comply with all OFCCP regulations concerning selection procedures, including 41 CFR 60-3. Contractor will not use any selection procedure that has an adverse impact, as defined in 41 CFR 60-3.4D, on applicants of a particular race, ethnicity, or sex unless it properly validates the procedure pursuant to these regulations.

- b. **Review of Hiring Process.** Within the timeframes specified in Attachment B, Contractor will provide OFCCP with its policies and procedures (including job descriptions and postings) relating to the selection process used for all hires into Shipping/Receiving Specialist A positions at its 3760 W. 108th Street, Miami, Florida establishment⁵ (hereinafter the “Hiring Process”). Contractor will ensure all policies and qualifications standards are uniformly applied to all applicants. Employee referral programs should not be used exclusively in the Hiring Process for Shipping/Receiving Specialist A positions and should be monitored as described in paragraph 4 of this Section of the Agreement.

3. Training.

- a. **Hiring Process.** Contractor will provide training to every individual involved in recruiting, selecting, or tracking applicants for Shipping/Receiving Specialist A positions regarding the Hiring Process and OFCCP’s recordkeeping obligations. The training will include instruction including, but not limited to: the proper implementation of the recruitment, tracking, and selection procedures; neutral application of the specified qualifications and criteria that will be used at each step in the hiring process; procedures to be used to document the decisions made at each step in the hiring process; and the procedures to be used to ensure that documents are retained in accordance with 41 CFR 60-1.12(a) and Part 60-3. Contractor will ensure that Class Members benefitting from the provisions of this Agreement are not retaliated against. Contractor will document and maintain a record of the date of each training, and the name and job title of each employee participating in each training.
- b. **Equal employment opportunity obligations.** Contractor will provide training to management and all individuals responsible for the recruitment and selection process regarding Contractor’s equal employment obligations and nondiscrimination policies related to recruitment and hiring. Contractor will document and maintain a record of the date of such training and the name and job title of each employee who participated in such training.
- c. The training must ensure that managers who have completed the training understand and can implement the requirements to (1) follow nondiscriminatory recruitment and hiring practices, (2) consistently implement the Hiring Practices, and (3) properly document the results of their decisions and retain appropriate records.

4. **Monitoring.** Contractor agrees to monitor selection rates at each step of its selection process for Shipping/Receiving Specialist A positions. Where it is determined that a selection procedure or qualification has an adverse impact, as defined in 41 CFR 60-3.4D, on the hiring of applicants of a particular race or gender, Contractor will eliminate the procedure, choose an alternative procedure, or validate the procedure in accordance

⁵ The establishment located at 10000 N.W. 15th Terrace, Doral, FL 33172, which was the subject of the OFCCP’s compliance review, was closed in 2019. BDSI relocated its operations to a facility located at 3760 W. 108th Street, Miami, FL following its acquisition of K LX.

with the Uniform Guidelines on Employee Selection Procedures codified at 41 CFR Part 60-3. This information will be maintained until the expiration of this Agreement or as long as required by the regulations, whichever is later. Contractor will meet its obligation to conduct adverse impact analyses in accordance with the requirements of 41 CFR Part 60-3.

5. **Recordkeeping.** Pursuant to 41 CFR 60-1.12, Contractor will ensure its managers properly document the results of hiring decisions made pursuant to the revised hiring policies and procedures, and properly maintain all records on the revised policies and procedures including any associated underlying data and information such as, recruitment agreements, HRIS and payroll data, job applications, applicant and hire data, disposition codes, and personnel records, and any other records or data used to generate the required reports. Contractor will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

VII. OFCCP Monitoring Period

1. **Recordkeeping.** Contractor agrees to retain all records relevant to the alleged violations cited in Section III above and the reports submitted in compliance with Paragraph 2, below. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. Contractor will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. Contractor Reports.

- a. **Schedule and Instructions:** Contractor agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:
 - i. **Progress Report 1:** Due February 15, 2024, covering the period from the Effective Date to December 31, 2023.
 - ii. **Progress Report 2:** Due February 15, 2025, covering the period of January 1, 2024 through December 31, 2024.

Contractor will submit reports to E. Michelle Hernandez, District Director Miami District Office, (b) (6), (b) (7)(C)@dol.gov with a copy to Compliance Officer (b) (6), (b) (7)(C) @dol.gov.

Contractor and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports Contractor provides in accordance with this agreement are customarily kept private or closely held, and Contractor believes should remain confidential under Exemption 4 of FOIA in the event of a FOIA request, Contractor will

provide such reports to OFCCP marked as “Confidential”. In the event of a FOIA request, OFCCP will treat any such documents received as confidential documents.

- b. **Reports on Job Offers:** In each progress report, Contractor will report on all job offers and hires made pursuant to the Agreement until all of the job opportunities for the reviewed establishment are filled or the list of Class Members expressing interest in the positions is exhausted. This includes:
- i. A list of all Class Members who expressed an interest in employment by name, race, and date of interest.
 - ii. Documentation of all job offers made to Class Members, including the name and race of individuals offered jobs, the date of their application, the date of the offer, the date the offer was accepted or rejected, and the starting pay rate.
 - iii. A list of Class Members who expressed interest in job offers who did not successfully complete the application process, including the name and race of these individuals, the date of their application, if any, and the reason Contractor determined they did not successfully complete the application process along with all relevant documentation (e.g., failure to complete the application process, failure to submit and/or satisfy pre-employment screening, such as drug screening, and documentation that the Class Member declined a job offer). This includes individuals who did not receive job offers because all available positions were filled.
 - iv. A list and supporting documentation of Class Members who were hired and terminated during the life of this Agreement and the reason for the termination.
 - v. Documentation of the number of available positions remaining to be filled and the number of Class Members still on the list.
 - vi. Documentation of the start dates for Class Members who were hired.
 - vii. If Contractor has not filled all of the positions specified in this Agreement by the Progress Report date, documentation of the reason this action is not complete and the good faith efforts being taken and planned for the next reporting period to complete it.
 - viii. If Contractor fails to meet its hiring obligations under this Agreement by the close of the Monitoring Period, OFCCP reserves its rights under Section II, Paragraphs 10 and 11 of this Agreement to extend the monitoring period or to pursue enforcement remedies.
- c. **Affirmative Action Programs.** With each Progress Report, Contractor will provide written statement verifying that Contractor has certified the status of its

Affirmative Action Programs for its Miami establishment in the OFCCP Contractor Portal.

- d. **Reports on Modifications to Personnel Practices.** In each Progress Report Contractor will report on any modifications to the Hiring Process made since the Hiring Process was submitted to OFCCP in accordance with the Timeline. If the Hiring Process has not been modified since being provided to OFCCP, a statement to that effect is sufficient. The reports must include:
 - i. Documentation of the training on the Revised Hiring Process and equal employment opportunity obligations described in Section VI, Paragraph 3. The documentation must include the name and job title of each employee attending the training discussed in Section VI, Paragraph 3a, and the date of the training; and the name and job title of each employee attending each meeting discussed in Section VI, Paragraph 3b, and the date of each meeting.
 - e. Within the prescribed timeframes, Contractor will submit all documents and information referenced in Sections IV.2 and VI-2.b.
3. **Close of Monitoring Period and Termination of Agreement.** This Agreement shall remain in effect until the monitoring period is completed. The monitoring period will close once OFCCP accepts Contractor's final progress report as set forth in Section II, Paragraph 10 above. If OFCCP fails to notify Contractor in writing within sixty (60) days of the date of the final progress report that Contractor has not fulfilled all of its obligations under the Agreement, OFCCP will be deemed to have accepted the final report and the Monitoring Period and this Agreement will terminate. If OFCCP notifies Contractor within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Contractor has met all of its obligations under the Agreement.

IX. SIGNATURES

The person signing this Agreement on behalf of Contractor personally warrants that he or she is fully authorized to do so, that Contractor has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on Contractor.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Boeing Distribution Services, Inc., Miami, Florida.

(b) (6), (b) (7)(C)

Megan Mikailonis
Senior Manager, Human Resources
Boeing Distribution Services, Inc.,
as the successor to KLX, Inc.

DATE: 9/28/2023

(b) (6), (b) (7)(C)

Aida Y. Collins
Regional Director
OFCCP-Southeast Region

DATE: _____

(b) (6), (b) (7)(C)

E. Michelle Hernandez
District Director
Miami District Office
OFCCP-Southeast Region

DATE: 09/28/2023

(b) (6), (b) (7)(C)

Compliance Officer
Miami District Office
OFCCP-Southeast Region

DATE: 09/29/2023

Attachments:

- A. List of Affected Applicants
- B. Timeline
- C. Notice Documents
 - 1. Notice to Affected Applicants
 - 2. Information Verification & Employment Interest Form
 - 3. Release of Claims Form

ATTACHMENT A: LIST OF AFFECTED APPLICANTS

Count	Last Name	First Name	Race
1	(b) (6), (b) (7)(C)		B
2			B
3			B
4			B
5			B
6			B
7			B
8			B
9			B
10			B
11			B
12			B
13			B
14			B
15			B
16			B
17			B
18			B
19			B
20			B
21			B
22			B
23			B
24			B
25			B
26			B
27			B
28			B
29			B
30			B
31			B
32			B
33			B
34			B
35			B
36			B
37			B
38			B

39	(b) (6), (b) (7)(C)	B
40		B
41		B
42		B
43		B
44		B
45		B
46		B
47		B
48		B
49		B
50		B
51		B
52		B
53		B
54		B
55		B
56		B
57		B
58		B
59		B
60		B
61		B
62		B
63		B
64		B
65		B
66		B
67		B
68		B
69		B
70		B
71		B
72		B
73		B
74		B
75		B
76		B
77		B
78		B
79		B

80	(b) (6), (b) (7)(C)	B
81		B
82		B
83		B
84		B
85		B
86		B
87		B
88		B
89		B
90		B
91		B
92		B
93		B
94		B
95		B
96		B
97		B
98		B
99		B
100		B
101		B
102		B
103		B
104		B
105		B
106		B
107		B
108		B
109		B
110		B
111		B
112		B
113		B
114		W
115		W
116		W
117		W
118		W
119		W
120		W

121	(b) (6), (b) (7)(C)	W
122		W
123		W
124		W
125		W
126		W
127		W
128		W
129		W

ATTACHMENT B: TIMELINE

Due Date (will be updated upon execution of Agreement)	# of Days from Effective Date	Action Required
10/29/2023	30	Contractor will mail and email Notice Documents to Affected Applicants.
-	-	On a bi-weekly basis, Contractor will notify OFCCP of all letters returned as undeliverable.
12/13/2023	75	Contractor provides Hiring Process to OFCCP.
12/13/2023	75	Within 45 days from the first mailing of the Notice Documents, Contractor will provide OFCCP with MS Excel file containing information about undeliverable letters, nonresponsive Affected Applicants, and names of Affected Applicants who failed to return both forms or to sign one or both of the forms.
01/12/2024	105	Parties will meet and confer to assess the results of the first mailing to ensure the second mailing maximizes the potential response rate.
01/17/2024	110	OFCCP will provide updated contact information to Contractor.
02/01/2024	125	Contractor will send second mailing of Notice Documents via both mail and email to nonresponsive Affected Applicants.
03/17/2024	170	Response Deadline: Affected Applicants must respond within 170 days from the Effective Date to participate in the settlement.
04/11/2024	195	Contractor will provide OFCCP with the list of Affected Applicants who timely responded to the Notice Documents in accordance with the Agreement, along with copies of the Information Verification & Employment Interest and Release of Claims Forms.

Due Date (will be updated upon execution of Agreement)	# of Days from Effective Date	Action Required
04/26/2024	210	OFCCP will approve the Final List of Class Members and distribution amounts.
05/26/2024	240	Contractor will disburse the settlement fund.
06/10/2024	255	Contractor will provide OFCCP with bank verification of payments made to Class Members.
07/25/2024	300	Contractor will provide a list of all Class Members' checks that were returned undeliverable or remain uncashed.
09/23/2024	360	First check deadline: Class Members must cash checks within 120 days after the initial date the check was mailed. Any uncashed checks are void, and the funds will go back into the settlement fund.
10/23/2024	390	Contractor will make second distribution of checks 30 days after initial checks are void.
-	-	
2/15/2024	-	The first Progress Report is due to OFCCP.
2/15/2025	-	The second Progress Report is due to OFCCP.

ATTACHMENT C.1

NOTICE TO AFFECTED APPLICANTS

You may be eligible to get money and a job because of a legal settlement between KLX, Inc. and the U.S. Department of Labor

We are writing to provide information about a legal settlement between the U.S. Department of Labor and KLX, Inc. (KLX), that may benefit you. This settlement involves claims of discrimination in hiring, and our records show that you may be one of the applicants covered by the settlement. If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages and an opportunity for a job with Boeing Distribution Services, Inc. (BDSI), the current owner of the former KLX facility.

ARE YOU AFFECTED?

Black and White applicants who applied and were not hired for the Material Handler I position at KLX, Inc.'s Doral, Florida location during the period August 23, 2016, through August 23, 2018 are covered by this settlement.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) conducted a review of KLX Inc.'s hiring practices during the period August 23, 2016 through August 23, 2018 at its establishment located at 10000 NW 15th Terrace, Doral, Florida 33172. On October 9, 2018, BDSI acquired KLX, Inc. OFCCP is the government agency responsible for enforcing the equal employment opportunity and affirmative action requirements that apply to federal contractors. During its compliance review, OFCCP found statistically significant differences in the hiring rates of Black and White applicants for Material Handler I positions when compared to similarly qualified Hispanic applicants during the period August 23, 2016 through August 23, 2018. KLX and/or BDSI have not admitted to any violation of E.O. 11246 and there has not been any adjudicated finding that KLX violated any laws. OFCCP and BDSI, as the successor to KLX, entered into the Conciliation Agreement to resolve the alleged violations by KLX, Inc. without resorting to further legal proceedings. A Conciliation Agreement is a legal document that explains the terms of an agreement to settle a Notice of Violations issued by OFCCP.

BDSI acquired KLX subsequent to all actions forming the basis for the Conciliation Agreement. OFCCP is not asserting any violations by BDSI. As the successor entity, BDSI is facilitating certain provisions of the Conciliation Agreement.

WHAT DOES THIS MEAN FOR YOU?

Because you applied to KLX, Inc. for the Material Handler I position during the period August 23, 2016 through August 23, 2018, and were not hired, this settlement may provide you with some specific benefits:

1. You may be eligible to receive a payment of at least \$3,096.15 (before taxes). This payment represents your share of back wages and interest BDSI is paying to settle the compliance evaluation. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions. Under the terms of this Agreement it may take up to nine months from the date of this letter before you receive your distribution.
2. In addition to the monetary distribution, BDSI will be making job offers for Shipping/Receiving Specialist A positions to a limited number of individuals receiving this notification. It is not certain that you will receive a job offer. If you are interested in employment with BDSI, please check the appropriate box on the enclosed Information Verification and Employment Interest Form. Those receiving this notice will be considered for Shipping/Receiving Specialist A positions in the order that BDSI receives the Information Verification and Employment Interest Form expressing an interest in employment. To be considered for the Shipping/Receiving Specialist A position, all interested individuals must meet the current minimum requirements for the position. All individuals hired pursuant to this Agreement will be provided with retroactive seniority for purposes of benefits.

In order to receive these benefits, you will need to release (give up) certain legal claims and sign the enclosed Information Verification & Employment Interest and Release of Claims forms.

WHAT IS YOUR NEXT STEP?

You should read this Notice, the Information Verification & Employment Interest and Release of Claims forms, and any other information you received from the U.S. Department of Labor or the Settlement Administrator.

Please do not ignore these documents or throw them away. Otherwise, you could miss an opportunity to receive money and a potential job with BDSI.

To be eligible for a payment and job, you must complete, sign, and return both the following enclosed documents, (1) Verification & Interest Form and (2) Release of Claims Form by **[DATE]** to:

Settlement Administrator
OFCCP – KLX
(NAME)
(TITLE)
(ADDRESS)
(EMAIL ADDRESS)

The documents must be received by **[insert actual date]**.

You may receive some or all of these benefits only if these forms confirm that you are one of the individuals covered by the settlement. After correct completion and submission of these documents, a final decision will be made about your eligibility.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO BDSI BY *[insert date by which class members must respond]*, OR IF YOUR DOCUMENTS DO NOT VERIFY YOUR ELIGIBILITY, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR TO BE CONSIDERED FOR A JOB OFFER.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact **[NAME]** at BDSI at **[PHONE NUMBER]** or **[EMAIL ADDRESS]**, or OFCCP Compliance Officer **[NAME]** at **[PHONE NUMBER]** or **[EMAIL ADDRESS]**. You can obtain additional information regarding this settlement on the official U.S. Department of Labor website at <https://www.dol.gov/agencies/ofccp/classmembers>.

Enclosures

Information Verification and Employment Interest Form
Release of Claims Form

ATTACHMENT C.2

Information Verification & Employment Interest Form
("Verification & Interest Form") – Affected Applicants

**PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE
COMPLETING THIS INFORMATION VERIFICATION & INTEREST FORM.**

**INSTRUCTIONS FOR FILING A CLAIM TO BE CONSIDERED FOR
MONEY (BACK WAGES) AND A POTENTIAL JOB OFFER FROM THE
SETTLEMENT**

DEADLINE TO RESPOND IS **DATE**

If you complete this Verification & Interest Form, you may be eligible for a money payment from the settlement and you can express interest in a job offer. You can receive a money payment even if you do not express interest in a job.

To receive an award such as money and a potential job offer, you must complete, sign, and return **both** this Verification & Interest Form **and** the enclosed Release of Claims Form. You may use the enclosed postage-paid return envelope to return the Verification & Interest Form and the Release of Claims Form. You may also submit these forms via email to the Settlement Administrator at the email address listed below. It is acceptable to submit PDF files or pictures of the fully completed and signed forms via email. The forms should be mailed or emailed as soon as possible to the address below.

Settlement Administrator

OFCCP – KLX

(NAME)

(TITLE)

(ADDRESS)

(EMAIL ADDRESS)

If you do not submit a properly completed Verification & Interest Form and Release of Claims Form on or before **[DATE]**, then your claim will not be on time and **you will not receive any money from this settlement and you cannot be considered for a job offer.**

Enclosed is a stamped, pre-addressed envelope you can use.

This Verification & Interest Form will only be used for the following purposes:

1. To confirm important information we need in order to make sure you are eligible to receive money under this settlement and process your payment, and
2. To allow you to express interest in the jobs being offered as a result of the settlement.

Step 1: Please confirm [or provide] the following contact information to process your payment (print legibly).

First Name: _____

Last Name: _____

Any other names you have used: _____

Home Phone: _____

Cell Phone: _____

Email: _____

Address: _____

Please provide your social security number: _____

Your Social Security Number is required in order to process your payment for tax purposes.

Your Social Security Number will not be used for any other purpose.

Notify us at the address below if your address changes within the next three months, or contact us if you have any questions about this Verification & Interest Form, the Notice, or the settlement.

Settlement Administrator
OFCCP – KLX

(NAME)

(TITLE)

(ADDRESS)

(PHONE NUMBER)

(EMAIL ADDRESS)

Step 2: Inform us if you are interested in a position. Please indicate below whether you are currently interested in employment in a Shipping/Receiving Specialist A position with BDSI. If you complete, sign, and return this Verification and Interest Form and the Release of Claims Form, you remain eligible for the monetary payment whether or not you are interested in employment at this time.

- Yes, I am interested in employment with BDSI in a Shipping/Receiving Specialist A I position.
- No, I am not currently interested in employment with BDSI in a Shipping/Receiving Specialist A position.
- I am currently employed by BDSI.

Step 3: Sign and return along with the Release of Claims Form.

IF YOU FAIL TO COMPLETE AND RETURN THIS VERIFICATION & INTEREST FORM AND THE RELEASE OF CLAIMS FORM TO THE ADDRESS BELOW BY [DATE**], YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR TO BE CONSIDERED FOR A JOB OFFER.**

*Settlement Administrator
OFCCP-KLX*

(NAME)

(TITLE)

(ADDRESS)

(EMAIL ADDRESS)

I certify the above is true and correct.

Signature: _____

Printed Name: _____

Date: _____

ATTACHMENT C.3

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246, AS AMENDED (“Release of Claims Form”)

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY AND A POTENTIAL JOB OFFER FROM THE SETTLEMENT

This Release of Claims (Release) under Executive Order 11246, as amended, is a legal document. This document states that in return for Boeing Distribution Services, Inc. (BDSI) paying you money, you agree that you will not file any lawsuit against KLX and/or BDSI for allegedly violating Executive Order 11246, as amended, in connection with its selection procedures for applicants for Material Handler I position. It also says that KLX and/or BDSI does not admit it violated any laws. This Release says that you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of the payment of at least \$3,096.15 (less deductions required by law) by BDSI to me, which I agree is acceptable, I agree to the following:

I.

I hereby waive, release and forever discharge KLX and BDSI, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have had which relate to my non-selection for employment in the Materials Handler I position on the basis of my race at any time through the Effective Date of this Release. By signing this agreement, I agree that I have been made whole for any claim that could have been brought under Executive Order 11246, as amended, relating to my non-selection with BDSI through the Effective Date of this Release.

II.

I understand that BDSI denies that it (or its predecessor entity, KLX, Inc.) treated me unlawfully or unfairly in any way and that BDSI entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) and agreed to make the payment described above to resolve alleged disparities in hiring and to resolve the matter without further legal proceedings in the compliance review initiated by OFCCP on August 10, 2018. I further agree that the payment of the aforesaid sum by BDSI to me is not to be construed as an admission of any liability by BDSI.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own free will to sign this Release.

IV.

I understand that if I do not sign this Release and return it to the contact listed on the enclosed Notice to Affected Applicants, by the deadline listed on the Notice, I will not be entitled to receive any payment (less deductions required by law) from BDSI.

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature: _____

Printed Name: _____

Date: _____
