



**CONCILIATION AGREEMENT**

Between

THE U.S. DEPARTMENT OF LABOR  
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

and

NAVMAR APPLIED SCIENCES.

**PART I: PRELIMINARY STATEMENT**

The Office of Federal Contract Compliance Programs (“OFCCP”) evaluated Navmar Applied Sciences’ (“Navmar”) facility located at 65 West Street Road – Building C, Warminster, PA 18974, and found that Navmar was not in compliance with Executive Order 11246, as amended (“E.O. 11246”), Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (“Section 503”), and the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (“VEVRAA”), and their implementing regulations at 41 CFR Sections 60-1, 60-2, 60-3, 60-300, and 60-741. OFCCP notified Navmar of the initial violations found and the corrective actions required in a Notice of Violations (“NOV”) issued on June 29, 2015. In the interest of resolving the violations without engaging in further legal proceedings and in exchange for the good and valuable consideration described in this document, OFCCP and Navmar enter into this contract (“Conciliation Agreement” or “Agreement”) and agree to all the terms stated below.

**PART II: GENERAL TERMS AND CONDITIONS**

1. In exchange for Navmar’s fulfillment of all obligations in Parts III and IV of this Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246 based on the violations described in more detail in Part III below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part III if Navmar violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. Navmar agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Navmar will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

3. Navmar understands that nothing in this Agreement relieves Navmar of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment laws.
4. Navmar promises not to harass, intimidate, threaten, discriminate, or otherwise retaliate against any individual because the individual benefits from this Agreement, files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503, and VEVRAA, or engages in any activity listed at 41 CFR § 60-1.32(a).
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This document and its attachments contain the complete and final understanding of the parties with respect to the matters referenced herein. This Agreement contains all terms by which the parties are bound and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing, signed by all parties.
7. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
8. This Agreement becomes effective on the day it is signed by the Regional Director of the Mid-Atlantic Region (the "Effective Date") unless the Director of OFCCP indicates otherwise within forty-five (45) days of the date the Regional Director signs the Agreement.
9. This Agreement will expire sixty (60) days after Navmar submits the final progress report required in Part IV (D), below, unless OFCCP notifies Navmar in writing prior to the expiration date that Navmar has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date that OFCCP determines Navmar has met all of its obligations under the Agreement.
10. If Navmar violates this Conciliation Agreement,
  - A. The procedures set forth at 41 CFR § 60-1.34 will govern:
    - 1) If OFCCP believes that Navmar violated any term of the Agreement while it was in effect, OFCCP will send Navmar a written notice stating the alleged violations and summarizing any supporting evidence.
    - 2) Navmar will have fifteen (15) days from receipt of such notice to demonstrate in writing that it has not violated the Conciliation Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
    - 3) If Navmar is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated

immediately without issuing a show cause notice or proceeding through any other requirement.

- 4) OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.

**B.** Navmar may be subject to the sanctions as set forth in Section 209 of E.O. 11246, 41 CFR § 60-741.66, or 41 CFR § 60-300.66 and other appropriate relief for violation of this Agreement.

11. This Agreement does not constitute an admission by Navmar of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that Navmar violated any laws.
12. Nothing herein is intended to relieve Navmar from the obligation to comply with the requirements of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212), their implementing regulations, or any other equal employment statute or executive order or its implementing regulations. In addition, this Conciliation Agreement in no way limits the applicability of the revised regulations implementing Section 503 of the Rehabilitation Act of 1973, as amended, 41 CFR Part 60-741 (2014) and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 41 CFR Part 60-300 (2014), which became effective on March 24, 2014.

### **PART III: SPECIFIC VIOLATIONS AND REMEDIES**

1. **VIOLATION:** Navmar failed to collect and maintain personnel and employment records in accordance with the requirements of 41 CFR § 60-1.12(a). Specifically, during the review period January 1, 2010 through December 31, 2010, Navmar failed to maintain copies of all application materials utilized during the review period: resumes, applications, self-id forms, phone screen log, interview notes, the decision to recommend certain candidates to the contracting agency, and background checks by race and gender.

**REMEDY:** Navmar will ensure that its records are collected and maintained in accordance with the requirements of 41 CFR § 60-1.12(a).

2. **VIOLATION:** Navmar failed to conduct adverse impact analyses and evaluate the individual components of the selection process for adverse impact, as required by 41 CFR § 60-3.4 and § 60-3.15A.

**REMEDY:** Navmar will conduct adverse impact analyses on at least an annual basis for the purpose of determining whether adverse impact exists against applicants based on race, sex, or ethnic group in being provided the opportunity to compete for positions, hiring, promotion, termination, and other personnel activities. These analyses will be done by job for each group constituting more than 2% of the labor force in the relevant

labor area or 2% of the applicable workforce. If adverse impact is identified in the total selection process, Navmar will evaluate each individual component of the selection process for adverse impact. If adverse impact is found to exist in any of the individual components of the selection process, Navmar will validate each such component in accordance with the Uniform Guidelines on Employee Selection Procedures or utilize selection procedures which do not result in adverse impact as required by 41 CFR § 60-3.4 and § 60- 3.15A .

3. **VIOLATION:** During the period January 1, 2010 through December 31, 2010, Navmar's selection process for the position of Aerostat Operator showed a statistically significant disparity in hiring rates of Black applicants of **7e** standard deviations yielding a shortfall of 10 in violation of 41 CFR § 60- 1.4(a)(1). As discussed in Violation 1, Navmar failed to retain records that may have established a legitimate explanation for this disparity.

**REMEDY:** Navmar will cease and desist all selection procedures that resulted in statistically significant disparities in the ability of Black applicants to compete for the Aerostat Operator position identified in this violation, as required by 41 CFR § 60- 1.4(a)(1).

In addition, Navmar shall implement the following make-whole actions for the Black applicants who were not hired for the Aerostat Operator position during the period of January 1, 2010 through December 31, 2010 ("Black Class Members"):

- a. **Notification:** , On or before October 30, 2015, Navmar will send to the last known address of each of the Black Class Members listed in Attachment A, by Certified Mail/Return Receipt Requested or other form indicating proof of delivery, the letter entitled "Notice to Class Members" (Attachment B) along with the forms enclosed therewith, "Address and Social Security Verification" (Attachment C) and "Release of Claims Under Executive Order 11246" (Attachment D) (the Notice to Class Members, Address and Social Security Verification and Release of Claims Under Executive Order 11246 Forms are hereinafter referred to as the "Forms").

Navmar will notify OFCCP weekly of all letters returned as undeliverable. In addition, on or before December 15, 2015, Navmar will provide a list to OFCCP of those Black Class Members who have not yet responded to the Notice and/or have not returned the fully executed Forms. OFCCP will then initiate efforts to locate those Black Class Members and provide the updated contact information to Navmar.

Navmar agrees to mail by first class mail a second set of Forms and postage paid return envelope to Black Class Members OFCCP locates within ten (10) days of receipt of new contact information.

- b. **Eligibility:** All Black Class Members who sign and return the Forms to Navmar on or before March 15, 2016 will equally share the monetary settlement. If a Black Class Member has not returned the Forms to Navmar on or before March 15, 2016, the Black Class Member will no longer be entitled to any relief pursuant to this Agreement.

On or before March 21, 2016 Navmar will provide OFCCP with a list of all Black Class Members who returned their Forms by March 15, 2016 (the "Eligible Black Class Members"). On or before March

25, 2016 OFCCP will review and approve the final list of Eligible Black Class Members or discuss with Navmar any issues necessary to finalize the list, such as inclusion or exclusion of certain Black Class Members. The monetary payment discussed in paragraph (c) below will be divided equally among all Eligible Black Class Members on the final approved list. Navmar will disburse the monetary settlement on or before April 8, 2016 to the final list of Eligible Class Members.

- c. Monetary Settlement: The monetary settlement of one hundred and sixteen thousand, six hundred and sixty-six dollars and sixty-seven cents (\$116,666.67) is a negotiated settlement that represents back pay in the amount of ninety-nine thousand, four hundred and forty-two dollars and twenty-nine cents (\$99,442.29) and interest in the amount of seventeen thousand, two hundred and twenty-four dollars and thirty-eight cents (\$17,224.38) for all Eligible Black Class Members. Navmar agrees to disburse this amount to all Eligible Black Class Members who complete and timely return the Forms to Navmar. Navmar will mail a check constituting a pro-rata share of the Aerostat Operator Monetary Amount, less any taxes and withholding required by law, to each Eligible Black Class Member who completed and timely returned the Forms to Navmar. The Eligible Black Class Members who receive a payment from Navmar will receive the appropriate IRS documents reflecting such payment.
- d. Selection Procedures: Pursuant to this agreement Navmar will cease and desist in the use of all selection procedures which resulted in adverse impact against lack applicants for Aerostat Operator positions, Navmar will examine, monitor and modify its selection procedures as necessary to ensure that the selection criteria are applied uniformly and the hiring decisions for Aerostat Operator positions are made in non-discriminatory manner, and to ensure that all stages of its revised selection procedures are in compliance with 41 CFR § 60-1.4(a) and 41 CFR § 60-3, the Uniform Guidelines on Employee Selection Procedures (“UGESP”).
- e. Training: On or before November 30, 2015, Navmar shall contract with an outside source to conduct mandatory training for all of its human resource personnel, managers, and supervisors involved in the selection process for all Aerostat Operator positions. Such training will cover recruitment and applicant tracking procedures; the neutral application of the specified qualifications and criteria that will be used at each step in the selection process; procedures to be used to document the decisions made at each step in the selection process; and procedures to be used to ensure that documents are retained in accordance with 41 CFR § 60-1.4(a)(1), 41 CFR § 60-1.12(a) and 41 CFR § 60-3. Such training will also cover subjects of equal employment opportunity rights and responsibilities, legal prohibitions against

discrimination on the basis of sex, race, national origin, color, religion, sexual orientation, gender identity, disability and veteran status, and Navmar's commitment to non-discriminatory hiring.

4. **VIOLATION**: During the period January 1, 2010 through December 31, 2010, Navmar's selection process for the position of Aerostat Operator showed a statistically significant disparity in female hiring rates of (b) (7) (e) standard deviations yielding a shortfall of five (5) in violation of 41 CFR § 60- 1.4(a)(1). As discussed in Violation 1, Navmar failed to retain records that may have established a legitimate explanation for this disparity.

**REMEDY**: Navmar will cease and desist all selection procedures that resulted in statistically significant disparities in the ability of female applicants to compete for the Aerostat Operator position identified in this violation, as required by 41 CFR § 60- 1.4(a)(1).

In addition, Navmar shall implement the following remedial make-whole actions for the five (5) Female applicants who were not hired for the Aerostat Operator position during the period of January 1, 2010 through December 31, 2010 ("Female Class Members"):

- a. **Notification**: On or before October 30, 2015, Navmar will send to the last known address of each of the Female Class Members listed in Attachment A, by Certified Mail/Return Receipt Requested or other form indicating proof of delivery, the letter entitled "Notice to Class Members" (Attachment B) along with the forms enclosed therewith, "Address and Social Security Verification" (Attachment C) and "Release of Claims Under Executive Order 11246" (Attachment D) (the Notice to Class Members, Address and Social Security Verification and Release of Claims Under Executive Order 11246 Forms are hereinafter referred to as the "Forms").

Navmar will notify OFCCP weekly of all letters returned as undeliverable. In addition, on or before December 15, 2015 Navmar will provide a list to OFCCP of those Class Members who have not yet responded to the Notice and/or have not returned the fully executed Forms. OFCCP will then initiate efforts to locate those Class Members and provide the updated contact information to Navmar.

Navmar agrees to mail by first class mail a second set of Forms and postage paid return envelope to Class Members OFCCP locates within ten (10) days of receipt of new contact information.

- b. **Eligibility**: All Female Class Members who sign and return the Forms to Navmar by March 15, 2016 will equally share the monetary settlement. If a Female Class Member has not returned the Forms to Navmar by March 15, 2016, the Female Class Member will no longer be entitled to any relief pursuant to this Agreement.

On or before March 21, 2016, Navmar will provide OFCCP with a list of all Female Class Members who returned their Forms by March 15, 2016, along with a copy of each executed set of Forms it received (the "Eligible Female Class Members"). On or before March 25, 2016, OFCCP will review and approve the final list of Eligible Female Class Members or discuss with Navmar any issues necessary to finalize the list, such as inclusion or exclusion of certain Female Class Members. The monetary payment discussed in paragraph (c) below will be divided equally among all Eligible Female Class Members on the final approved list. Navmar will disburse the monetary settlement on or before April 8, 2016 to the final list of Eligible Female Class Members.

- c. **Monetary Settlement:** The monetary settlement of fifty-eight thousand, three hundred and thirty-three dollars and thirty-three cents (\$58,333.33) is a negotiated settlement that represents back pay in the amount of fifty thousand, eight hundred and sixty dollars and sixty-six cents (\$50,860.66) and interest in the amount of seven thousand, four hundred and seventy-two dollars and sixty seven cents (\$7,472.67) for all Eligible Female Class Members (the "Female Aerostat Operator Monetary Settlement"). Navmar agrees to disburse this amount to all Eligible Female Class Members who complete and timely return the Forms to Navmar. Navmar will mail a check constituting a pro-rata share of the Female Aerostat Operator Monetary Amount, less any taxes and withholding required by law, to each Eligible Female Class Member who completed and timely returned the Forms to Navmar. The Eligible Female Class Members who receive a payment from Navmar will receive the appropriate IRS documents reflecting such payment.
  - d. **Selection Procedures:** Pursuant to this agreement Navmar will cease and desist in the use of all selection procedures which resulted in the adverse impact against female applicants for Aerostat Operator positions, Navmar will examine, monitor and modify its selection procedures as necessary to ensure that the selection criteria are applied uniformly and the hiring decisions for Aerostat Operator positions are made in non-discriminatory manner, and to ensure that all stages of its revised selection procedures are in compliance with 41 CFR § 60-1.4(a) and 41 CFR § 60-3, the Uniform Guidelines on Employee Selection Procedures ("UGESP").
  - e. **Training:** On or before November 30, 2015, Navmar shall contract with an outside source to conduct mandatory training for all of its human resource personnel, managers, and supervisors involved in the selection process for all Aerostat Operator positions. Such training will cover recruitment and applicant tracking procedures; the neutral application of the specified qualifications and criteria that will be used at each step in the selection process; procedures to be used to document the decisions made at each step in the selection process; and procedures to be used to ensure that documents are retained in accordance with 41 CFR § 60-1.4(a)(1), 41 CFR § 60-1.12(a) and 41 CFR § 60-3. Such training will also cover subjects of equal employment opportunity rights and responsibilities, legal prohibitions against discrimination on the basis of sex, race, national origin, color, religion, gender identity, sexual orientation, disability and veteran status, and Navmar's commitment to non-discriminatory hiring. This training may be performed simultaneously with the training described in Remedy Section 3e above.
5. **VIOLATION:** During the period January 1, 2010 through December 31, 2010, Navmar failed to perform in-depth analysis of its total employment process to determine whether and where impediments to equal employment opportunity exists, as required by 41 CFR § 60-2.17(b)(1), (2) and (4), and failed to develop and implement an auditing system that periodically measures

the effectiveness of its total affirmative action program as required by 41 CFR § 60-2.17(d). Specifically, Navmar failed to evaluate: its workforce by organizational unit and job group to determine whether there are problems of minority or female utilization or distribution; its personnel activity to determine whether there are selection disparities; and its selection, recruitment, referral, and other personnel procedures to determine whether they result in disparities in the employment or advancement of minorities or women. Navmar also failed to monitor records of all personnel activities at all levels to ensure the nondiscriminatory policy is carried out.

**REMEDY:** Navmar will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist. At a minimum, Navmar will evaluate its workforce by organizational unit and job group to determine whether there are problems of minority or female utilization or distribution, its personnel activity to determine whether there are selection disparities, and its selection, recruitment, referral, and other personnel procedures to determine whether they result in disparities in the employment or advancement of minorities or women as described in 41 CFR § 60-2.17 (b)(1), (2) and (4). Navmar will also develop and implement an internal auditing and reporting system that monitors records of all personnel activity including referrals, placements, transfers, promotions, terminations and compensation, at all levels to ensure the nondiscriminatory policy is carried out; require internal reporting on a scheduled basis as to the degree to which equal employment opportunity and organizational objectives are attained; review report results with all levels of management; and advise top management of program effectiveness and submit recommendations to improve unsatisfactory performance, as required by 41 CFR § 60- 2.17(d).

6. **VIOLATION:** During the period January 1, 2010 through December 31, 2010, Navmar failed to maintain and have available records or other information which will disclose the impact which its selection procedures have upon employment opportunities of persons by identifiable race, sex, or ethnic group, as required by 41 CFR § 60-3.4A, 41 CFR § 60- 3.4B and 41 CFR § 60-3.15(A)(2). Specifically, Navmar failed to maintain all records of Internet Applicants, as defined in 41 CFR § 60-1.3, specifically applicants (i) who expressed interest in employment in a specific open position, (ii) who were considered for an open position, (iii) who possessed the basic qualifications for the position, and (iv) who did not remove themselves from consideration at any point in the selection process.

**REMEDY:** Navmar will maintain and have available records or other information which will disclose the impact which its selection procedures have upon employment opportunities of persons by identifiable race, sex, or ethnic group, as required by 41 CFR § 60-3.4A, 41 CFR § 60-3.4B and 41 CFR § 60-3.15(A)(2). Specifically, Navmar will maintain records that disclose the impact of its selection procedures on all candidates who express interest in employment in an open position, are considered for an open position, who possess the basic qualifications for the position, and who do not remove themselves from consideration at any point in the selection process.

7. **VIOLATION:** Navmar failed to develop and execute action-oriented programs designed to correct problems areas identified pursuant to 41 CFR § 60-2.17(b) and to attain established goals and objectives as required 41 CFR § 60-2.17(c). Specifically, during the period of January 1, 2010 through December 31, 2010, Navmar established a placement goal for females of 7e for Job Group 3-Technicians. Navmar had 7e total placements that occurred in Job Group 3-Technicians; however, Navmar placed 7e females in this job group, which resulted in a shortfall of 2. In addition, Navmar established a placement goal for females of 7e in Job Group 7B2-Operatives. Navmar had 7e total placements that occurred in Job Group 7B2-Operatives; however, Navmar placed 7e females in this job group, which resulted in a shortfall of 8. Navmar was unable to demonstrate it developed and executed action-oriented programs or other good faith efforts to remove identified barriers, expand employment opportunities, and produce measurable results, as required by 41 CFR § 60-2.17 (c).

**REMEDY:** Navmar will develop and execute action-oriented programs designed to correct any program areas identified pursuant to 41 CFR § 60-2.17(b) to attain established goals and objectives, as required 41 CFR § 60-2.17 (c). Navmar will ensure that these action-oriented programs are effective and do not consist of more than following the same procedures which have previously produced inadequate results and will demonstrate that it has made good faith efforts to remove identified barriers, expand employment opportunities, and produce measurable results. Navmar will agree to solicit the assistance and support of the following organizations or similar organizations identified by Navmar, by sending their job vacancy announcements to the below organizations.

Army Strong Community Center 99 Soldiers Lane  
Coraopolis, PA 15108  
Telephone: (412) 604-8316 Contact: John Thase

Soldier for Life – Transition Assistance Program Joint Base McGuire-  
Dix-Lakehurst  
5418W, Delaware Avenue Fort Dix, NJ 08640  
Telephone: (609) 562-4982 Contact: Deyanira Rios  
E-mail: [deyanira.rios.ctr@mail.mil](mailto:deyanira.rios.ctr@mail.mil)

Community Women’s Education Project 2801 Frankford Avenue  
Philadelphia, PA 19134  
Telephone: (215) 426-2200  
Contact: Ms. Alexis T. Brown, Executive Director [www.cwep.org](http://www.cwep.org)

Navmar agrees when selection opportunities occur that are to be filled by external candidates for Job Group 3-Technicians and Job Group 7B2-Operatives, that it will ensure that requests for female referrals from organizations identified in this corrective action, and to similar additional organizations found by Navmar, are made at least fourteen (14) days prior to the closing date of the vacancies. The referral letter sent by Navmar will include at a minimum the following: position description of the job vacancy; minimum qualifications, starting salary, open and close date, and where the vacancy is located and how the individuals should apply for the position.

8. **VIOLATION**: During the period January 1, 2010 through December 31, 2010, Navmar failed to immediately list all employment openings with either the state workforce agency job bank or a local employment service delivery system serving the location where the openings occurred in violation of 41 CFR § 60-300.5(a)2-6.

**REMEDY**: Navmar will list all employment openings as they occur with an appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS) where the openings occur, in a manner and format that will allow the ESDS to provide priority referrals of protected veterans to Navmar, as required by 41 CFR § 60-300.5(a)2-6 (2014). With its initial listing, and as subsequently needed to update the information, Navmar will also advise the employment service delivery system that it is a federal contractor that desires priority referrals of protected veterans for job openings at all locations within the state, and provide the employment service delivery system with the name and address of each of its hiring locations within the state and the contact information for the contractor official responsible for hiring at each location, in accordance with 41 CFR § 60-300.5(a)4.

Should any of the information in the disclosures change since it was last reported to the ESDS, the contractor shall provide updated information simultaneously with its next job listing.

9. **VIOLATION**: Navmar was issued a Show Cause Notice on July 7, 2011, for their failure to submit an acceptable Affirmative Action Program under Executive Order 11246 (41 CFR § 60-2).

**REMEDY**: On September 2, 2011, Navmar submitted an acceptable Affirmative Action Program under Executive Order 11246 (41 CFR § 60-2). Navmar will agree to continue to prepare and maintain an affirmative action program (AAP) for qualified minorities and women at each establishment. The AAP shall set forth Navmar's policies and procedures in accordance with 41 CFR § 60-2. Navmar shall review and update annually its AAP pursuant to 41 CFR § 60-2.1(c).

10. **VIOLATION**: Navmar was issued a Show Cause Notice on July 7, 2011, for their failure to submit an acceptable Affirmative Action Program for protected veterans at each establishment, in violation of 41 CFR § 60-300.40(b), and, accordingly, failed to comply with any of its AAP obligations set forth in Subpart C of the regulation, 41 CFR § 60- 300.40-44.

**REMEDY**: On September 2, 2011, Navmar submitted an acceptable Affirmative Action Program under the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. Navmar will agree to continue to maintain an affirmative action program (AAP) for protected veterans at each establishment. The AAP shall set forth Navmar's policies and procedures in accordance with 41 CFR § 60-300.40-45 (2014). This AAP may be integrated into or kept separate from other AAPs. Navmar shall review and update annually its AAP pursuant to 41 CFR § 60-300.40(c), and will comply with all obligations set forth in Subpart C of the regulations, 41 CFR § 60-300.40-45.

11. **VIOLATION**: Navmar was issued a Show Cause Notice on July 7, 2011, for their failure to submit an acceptable Affirmative Action Program covering qualified individuals with disabilities at each establishment, in violation of 41 CFR § 60-741.40(b), and accordingly failed to comply with any of its AAP obligations set forth in Subpart C of the regulation, 41 CFR § 60-741.40-44.

**REMEDY**: On September 2, 2011, Navmar submitted an acceptable Affirmative Action Program under Section 503 of the Rehabilitation Act. Navmar will agree to continue to maintain an affirmative action programs (AAP) for individuals with disabilities at each establishment. The AAP shall set forth Navmar's policies and procedures in accordance with 41 CFR § 741.40-45 (2014). This AAP may be integrated into or kept separate from other AAPs. Navmar shall review and update annually its AAP pursuant to 41 CFR § 60- 741.40(c), and will comply with all obligations set forth in Subpart C of the regulation, 41 CFR § 60-741.40-45.

#### **PART IV: REPORTING REQUIREMENTS**

Navmar agrees to furnish OFCCP with three (3) progress reports. Navmar will send each report to the following address:

U.S. Department of Labor  
Office of Federal Contract Compliance Programs Attention: Edward J.  
Rogers, District Director Robert Nix Federal Building  
900 Market Street – Room 311  
Philadelphia, PA 19107

The first report will be due May 15, 2016 for the period October 1, 2015 through April 30, 2016 and will include:

1. Documentation of monetary relief provided to all Aerostat Operator Class Members as

specified in the Remedy to Violations 3 and 4. The documentation shall include copies of all signed "Address and Social Security Verification Forms," "Release of Claims Under Executive Order 11246," and canceled checks disbursed by Navmar to all Class Members, or other equivalent documentation verifying that all eligible Class Members were paid.

2. Documentation verifying that Navmar provided training in equal employment opportunity to its managers and supervisors who make selection decisions, as required by the Remedy to Violation 3 and 4 of this Agreement. This documentation will include, but not be limited to: copies of training agendas; materials used or distributed in the training; documents reflecting the signatures, printed names and positions of those in attendance; resumes or other written descriptions of the qualifications of the person(s) providing the training; and documentation of date(s) and duration of the training session(s);
3. A description of: (a) the ways Navmar revised its selection process to fill Aerostat Operator vacancies, including any revision(s) to its recruitment process, its prescreening of job applications, and interviewing and testing of applicants; (b) any revisions to Navmar methods for tracking such information, including by race, ethnicity and gender; and (c) the internal audit and reporting systems put into place for monitoring Navmar's progress and program effectiveness.

The second report will be due November 30, 2016 for the time period May 1, 2016 through October 31, 2016 and will include:

1. Documentation of monetary relief provided to all Aerostat Operator Class Members as specified in the Remedy to Violations 3 and 4. The documentation shall include copies of all signed "Address and Social Security Verification Forms," "Release of Claims Under Executive Order 11246," and canceled checks disbursed by Navmar to all Class Members, or other equivalent documentation verifying that all eligible Class Members were paid.
2. Evidence of action oriented programs carried out by Navmar as identified in violation seven (7) under Part III of this Conciliation Agreement whereby Navmar will provide the following:
  - a. Copies of all correspondence submitted to each organization;
  - b. Copies of all correspondence submitted to any additional organizations utilized by Navmar; and
  - c. Copies of all responses received from each of the organizations.

These efforts should also identify if Navmar received any applicant referrals from the organizations identified in the CA or found and utilized by Navmar under this reporting period. When providing the applicant log from those organizations, include the following: name(s) of the individual(s) referred; gender, race, date(s) of referral; job title applied for or considered for, job title hired into, date of hire, and rate of pay and or the final disposition of the referred individual's application (hired or not hired) and when applicable, the reason(s) why a referred individual was not hired by Navmar.

3. Documentation confirming that Navmar listed all employment openings at its facility with an

appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS), as required by 41 CFR 60-300.5(a) 2- 6(2014). This should also include a copy of the job vacancy listing, and documentation that demonstrates Navmar advised the employment service that it is a Federal contractor and provided the name and location of each hiring location within the state; the contact information for the contractor official responsible for hiring at each location.

4. Documentation of any referrals received by the appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS). Including but not limited to the name(s) of the individual(s) referred; gender, race, date(s) of referral; job title applied for or considered for, job title hired into, date of hire and rate of pay and or the final disposition of the referred individual's application (hired or not hired) and when applicable, the reason(s) why a referred individual was not hired by Navmar.

These efforts should also identify if Navmar received any applicant referrals from the organizations identified in the CA or found and utilized by Navmar under this reporting period. When providing the applicant log from those organizations, include the following: name(s) of the individual(s) referred; gender, race, date(s) of referral; job title applied for or considered for, job title hired into, date of hire, and rate of pay and or the final disposition of the referred individual's application (hired or not hired) and when applicable, the reason(s) why a referred individual was not hired by Navmar.

In addition, Navmar agrees to provide the same information listed above for any referral in which individuals with disabilities or with veteran status were hired or were not hired, number of individuals with disabilities hired, number of all veterans hired, along with the job title in which these individuals were hired into as well as their starting rate of pay.

5. Submit an applicant flow log identifying all applicants for Job Group 3-Technicians and Job Group 7B2-Operatives during the reporting period specified above, including name, date of application, race, ethnicity, gender, referral source, final disposition, date of hire, and job title. For all applicants not selected, identify the reason for non-selection;

Copies of the impact ratio analysis for Job Group 3-Technicians and Job Group 7B2- Operatives conducted for the reporting period specified above. If adverse impact exists, Navmar will provide the results of its review and/or examination of each individual component in the selection process. Documentation will also include a detailed description of any actions taken by Navmar to address the adverse impact found in its review; and

The third report will be due May 31, 2017 for the period November 1, 2016 through April 30, 2017 and will include:

1. Evidence of action oriented programs carried out by Navmar as identified in violation seven (7) under Part III of this Conciliation Agreement whereby Navmar will provide the following:
  - a. Copies of all correspondence submitted to each organization;
  - b. Copies of all correspondence submitted to any additional organizations utilized by Navmar; and
  - c. Copies of all responses received from each of the organizations.

These efforts should also identify if Navmar received any applicant referrals from the organizations identified in the CA or found and utilized by Navmar under this reporting period. When providing the applicant log from those organizations, include the following: name(s) of the individual(s) referred; gender, race, date(s) of referral; job title applied for or considered for, job title hired into, date of hire, and rate of pay and or the final disposition of the referred individual's application (hired or not hired) and when applicable, the reason(s) why a referred individual was not hired by Navmar.

2. Documentation confirming that Navmar listed all employment openings at its facility with an appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS), as required by 41 CFR § 60-300.5(a) 2- 6(2014). This should also include a copy of the job vacancy listing, and documentation that demonstrates Navmar advised the employment service that it is a Federal contractor and provided the name and location of each hiring location within the state; the contact information for the contractor official responsible for hiring at each location.
3. Documentation of any referrals received by the appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS). Including but not limited to the name(s) of the individual(s) referred; gender, race, date(s) of referral; job title applied for or considered for, job title hired into, date of hire and rate of pay and or the final disposition of the referred individual's application (hired or not hired) and when applicable, the reason(s) why a referred individual was not hired by Navmar.

These efforts should also identify if Navmar received any applicant referrals from the organizations identified in the CA or found and utilized by Navmar under this reporting period. When providing the applicant log of those, include the following: name(s) of the individual(s) referred; gender, race, date(s) of referral; job title applied for or considered for, job title hired into, date of hire and rate of pay and or the final disposition of the referred individual's application (hired or not hired) and when applicable, the reason(s) why a referred individual was not hired by Navmar.

In addition, Navmar agrees to provide the same information listed above for any referral in which an individuals with disabilities or with veteran status were hired or not hired, number of individuals with disabilities hired, number of all veterans hired,

along with the job title in which these individuals were hired into as well as their starting rate of pay.

- 4. Submit an applicant flow log identifying all applicants for Job Group 3-Technicians and Job Group 7B2-Operatives during the reporting period specified above, including name, date of application, race, ethnicity, gender, referral source, final disposition, date of hire, and job title. For all applicants not selected, identify the reason for non-selection;

Copies of the impact ratio analysis for Job Group 3-Technicians and Job Group 7B2- Operatives conducted for the reporting period specified above. If adverse impact exists, Navmar will provide the results of its review and/or examination of each individual component in the selection process. Documentation will also include a detailed description of any actions taken by Navmar to address the adverse impact found in its review.

This Conciliation Agreement will remain in full force and effect until sixty (60) days following Navmar submission of the final report, or until such time as OFCCP has deemed that Navmar has met all conditions of this Agreement. The date of signature by the OFCCP Regional Director will constitute the effective date of this Agreement.

**PART V: SIGNATURES**

This Conciliation Agreement is hereby executed by and between the OFCCP and Navmar Applied Sciences Corporation 65 West Street Road Building C, Warminster, PA 18974

DATE: 14 SEPT 15

DATE: 9/16/2015

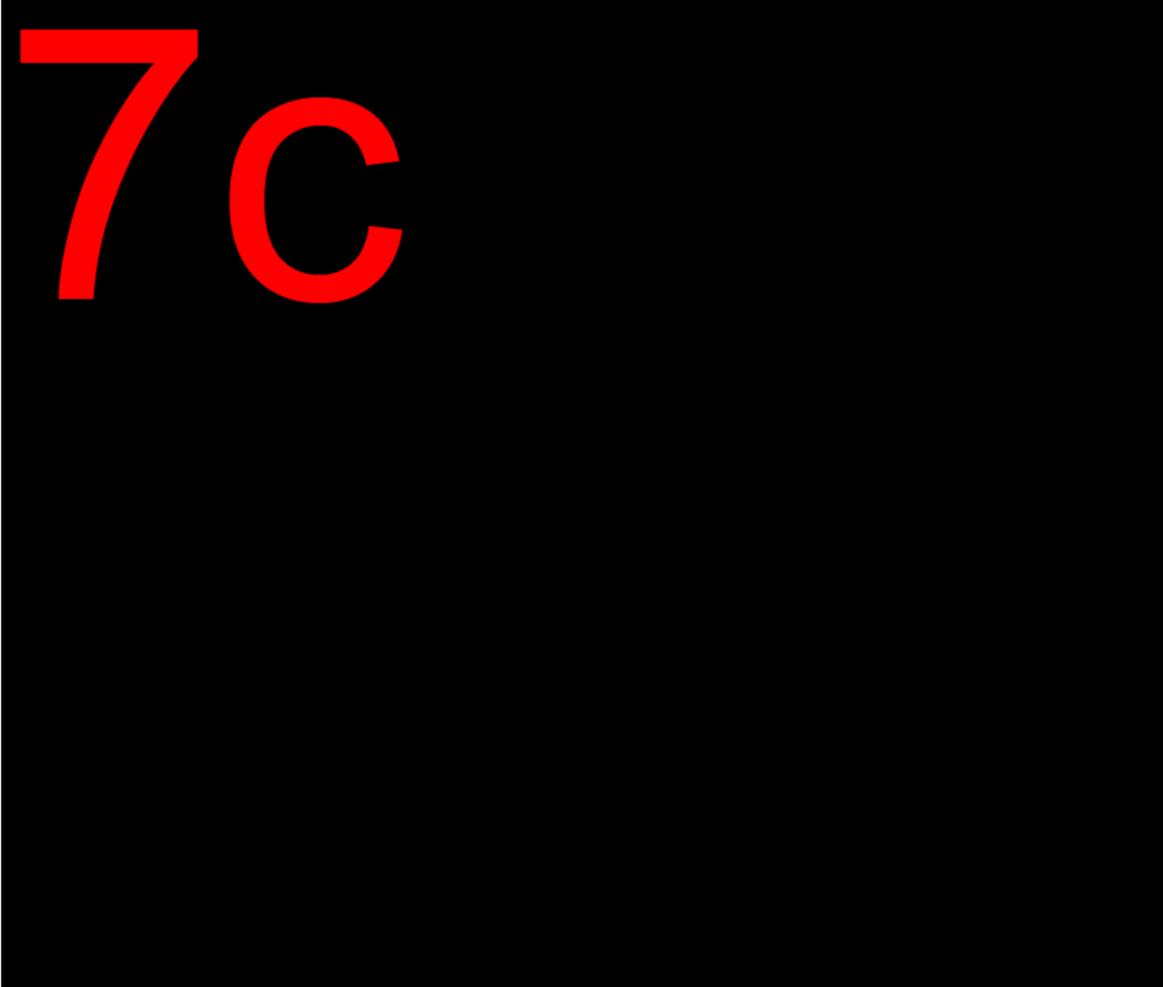


THOMAS FENERTY  
PRESIDENT & CEO  
Navmar Applied Sciences Corporation  
65 West Street Road  
Warminster, PA 18974

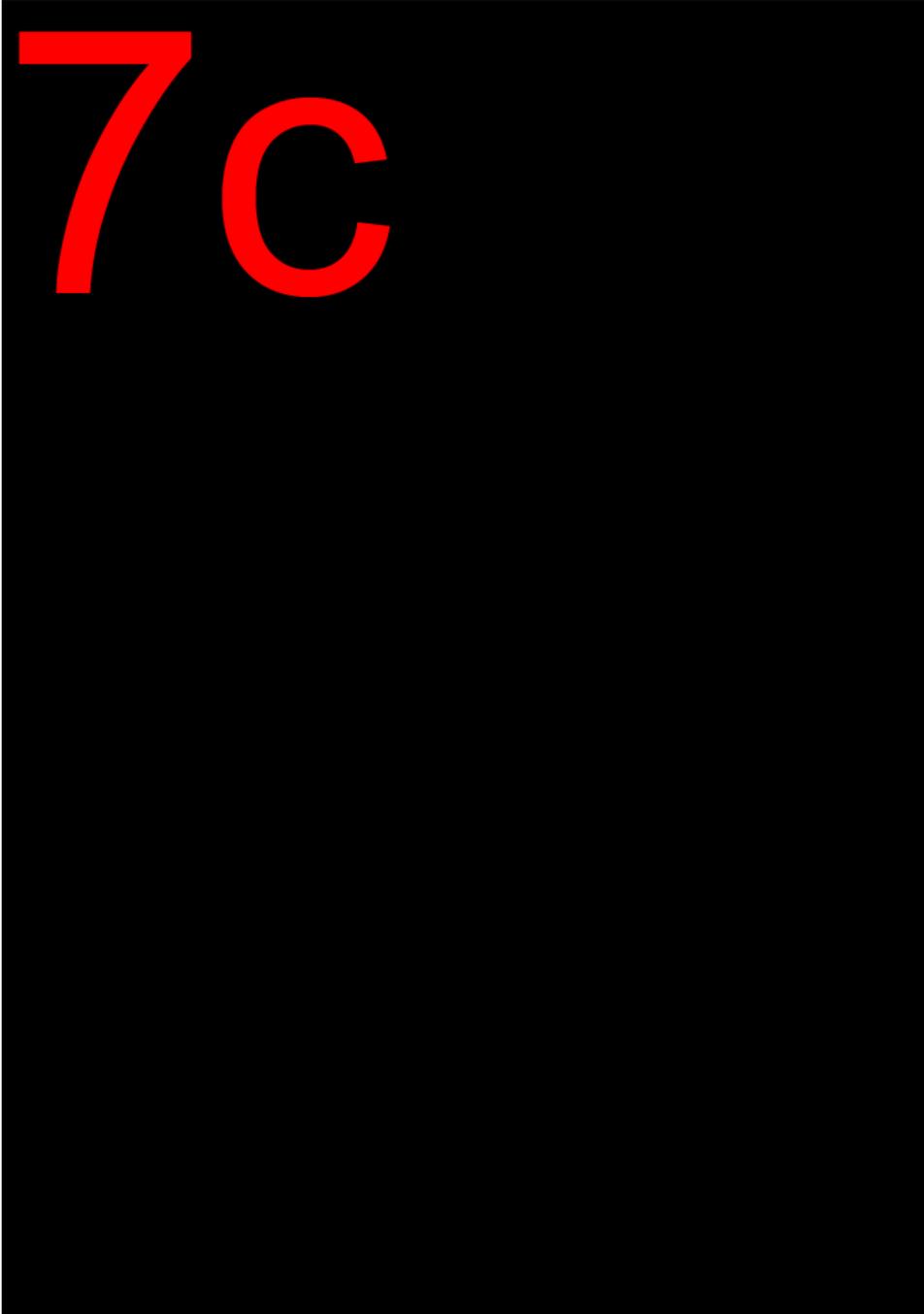


MICHELE HODGE  
Regional Director  
U.S. Department of Labor - OFCCP  
Mid-Atlantic Regional Office  
Philadelphia, PA

Attachment A  
Female Aerostat Operator Class Member List



Attachment A  
Black Aerostat Operator Class Member List



**ATTACHMENT B****NOTICE TO CLASS MEMBER**

Navmar Applied Sciences (hereinafter "Navmar") and the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) have entered into a Conciliation Agreement (CA) to resolve alleged disparities in selecting applicants for the Aerostat Operator position during the period of January 1, 2010 through December 31, 2010. You have been identified as an individual who applied for the Aerostat Operator position during that time period, but were not hired.

As part of this CA, you are eligible to receive back pay, subject to lawful payroll deductions. In order to be eligible for this distribution, you must execute the enclosed Address and Social Security Verification, as well as the Release of Claims, and return them to the following address no later than March 15, 2016 for you to be entitled to participate in this settlement:

Mr. Michael Kelley  
Director of Human Resources  
Navmar Applied Sciences Corporation  
602 E. Baltimore Pike, 2<sup>nd</sup> Floor  
Media, PA 19063

By entering into this CA, Navmar has not admitted, nor has there been any adjudicated finding that Navmar violated any laws when it did not hire you for the position for which you applied. Navmar has entered into this CA for its convenience and to resolve the matter without further legal proceeding.

**IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO NAVMAR ON OR BEFORE MARCH 15, 2016, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.**

If you have any questions, you may call Edward J. Rogers, OFCCP – Philadelphia District Office, at (215) 597-4121. Your call will be returned as soon as possible.

Sincerely,

Mr. Michael Kelley  
Director of Human Resources  
Navmar Applied Sciences Corporation  
602 E. Baltimore Pike, 2<sup>nd</sup> Floor  
Media, PA 19063

**ATTACHMENT C**

**ADDRESS AND SOCIAL SECURITY VERIFICATION**

You will complete this form and the attached Form W-4 in order to be eligible for the monetary settlement under the terms of the Conciliation Agreement (CA) between Navmar Applied Sciences and the U. S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) dated \_\_\_\_\_.

Please print legibly, except for the signature.

Name: \_\_\_\_\_

- I confirm that the address on the cover letter is correct.
- The address on the cover letter is not correct. My correct address is:

Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Notify Navmar at the address below if your address changes within the next twelve months.**

Your Social Security Number is required for tax purposes. Please list in the space below:

\_\_\_\_\_

**You must return this form to:**

Mr. Michael Kelley  
 Director of Human Resources  
 Navmar Applied Sciences Corporation  
 602 E. Baltimore Pike, 2<sup>nd</sup> Floor  
 Media, PA 19063

**IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO NAYMAR ON OR BEFORE MARCH 15, 2016, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.**

"I certify the above as true and correct."

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ATTACHMENT D****RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246**

In consideration of the net payment to me (less deductions required by IRS) and in consideration of the Conciliation Agreement between Navmar and the U.S. Department of Labor/Office of Federal Contract Compliance Programs (hereinafter OFCCP), I agree to the following:

**I.**

I hereby waive, release and forever discharge Navmar, its predecessors, related entities, subsidiaries, and organizations, and its and their 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 which relate in any way to me not being hired by Navmar between January 1, 2010 through December 31, 2010.

**II.**

I understand that if I am concerned about how the process described in this Release applies to me, I may contact OFCCP for assistance at (215) 597-4121.

**III.**

I understand that Navmar denies that it treated me unlawfully or unfairly in any way and that Navmar entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and to bring closure to the Compliance Review initiated by OFCCP on April 28, 2011. I agree that the payment of the aforesaid sum by Navmar to me or Navmar's job offer to me is not to be construed as an admission of any liability by Navmar.

**IV.**

I understand that this Release is a legal document, and 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. I further declare that I have decided of my own free will to sign this Release.

**V.**

I understand that if I do not sign this Release and return it to Mr. Michael Kelley, Director of Human Resources, Navmar Applied Sciences Corporation, 602 E. Baltimore Pike, 2<sup>nd</sup> Floor, Media, PA 19063, **on or before March 15, 2016**, I will not be entitled to receive the above-referenced payment.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date