

CONCILIATION AGREEMENT

Between

THE U.S. DEPARTMENT OF LABOR

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

And

WORLD TECHNICAL SERVICES INC.

I. Preliminary Statement

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated the World Technical Services Inc. ("WTS") establishment located at 4903 NW Industrial, San Antonio, TX 78238-1938 and found that WTS was not in compliance with Executive Order 11246, as amended ("EO 11246"); Section 503 of the Rehabilitation Act of 1973 ("Section 503"), as amended; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA"), as amended; and their implementing regulations at 41 Code of Federal Regulations ("CFR") Chapter 60. OFCCP notified WTS of the specific violations found and the corrective actions required in a Notice of Violations ("NOV") issued on August 4, 2021. 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 WTS ("the parties") enter into this Conciliation Agreement ("Conciliation Agreement" or "Agreement") and agree to all the terms therein.

II. General Terms and Conditions

1. In exchange for WTS's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under EO 11246, Section 503 or VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if WTS 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 WTS'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. WTS 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 WTS of its obligation to fully comply with the requirements of EO 11246, Section 503, VEVRAA, their implementing regulations, or

other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.

4. WTS and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under EO 11246, Section 503, and/or VEVRAA.
5. WTS 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 correction.
8. This Agreement becomes effective on the day it is signed by the District Director of the San Antonio District Office in the Southwest and Rocky Mountain 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 WTS submits its final progress report required in Section IV, below, unless OFCCP notifies WTS in writing before the expiration date that WTS 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 WTS has met all of its obligations under the Agreement.
11. If WTS violates this Agreement:
 - a. The procedures at 41 CFR 60-1.34 will govern:
 - i. OFCCP will send WTS a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. WTS 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 WTS 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.

- iv. In the event of a breach of this Agreement by WTS, 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. WTS 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. WTS denies any violation of EO 11246, 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 the United States Department of Labor.
- 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 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. TECHNICAL VIOLATIONS AND REMEDIES

- 1. **VIOLATION:** WTS failed to develop an Affirmative Action Program (AAP) within 120 days from the commencement of a contract; further, WTS did not annually update the AAP in accordance with the requirements of 41 CFR 60-2.1(c).

REMEDY: WTS developed an AAP, encompassing the period January 1, 2019 through December 31, 2019, for submission to OFCCP on August 17, 2020 and subsequently on September 3 and 8, 2020.

- 2. **VIOLATION:** WTS failed to submit an acceptable EO 11246 AAP, for the period January 1, 2019 through December 31, 2019, in accordance with the requirements of 41 CFR 60-2.10 through 60-2.17.

REMEDY: WTS will develop and implement an acceptable EO 11246 AAP in accordance with the requirements of 41 CFR 60-2.10 through 60-2.17.

3. **VIOLATION:** During the period January 1, 2019 to present, WTS failed to conduct adverse impact analyses of the overall selection process and for each group constituting at least 2% of the labor force in the relevant labor area or 2% of the applicable workforce, in accordance with the requirements of 41 CFR 60-3.4 and 60-3.15 A.

REMEDY: WTS will conduct an adverse impact analysis in accordance with the requirements of 41 CFR 60-3.4 and 60-3.15A. WTS 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 hiring, promotion, termination, and other personnel activities. These analyses will be done by job for each group constituting at least 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, WTS 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, WTS 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.

4. **VIOLATION:** WTS failed to preserve personnel or employment records in accordance with the requirements of 41 CFR 60-1.12, 41 CFR 60-3.4, and 41 CFR 60-3.15.

REMEDY: WTS will ensure records are collected and maintained in accordance with the requirements of 41 CFR 60-1.12, 41 CFR 60-3.4, and 41 CFR 60-3.15.

5. **VIOLATION:** WTS failed to develop an acceptable VEVRAA AAP for the period January 1, 2019 through December 31, 2019, in accordance with the requirements of 41 CFR 60-300.44 and 60-300.45.

REMEDY: WTS will develop and implement an acceptable VEVRAA AAP in accordance with the requirements of 41 CFR 60-300.44 and will invite individuals to self-identify as covered, protected veterans in accordance with the requirements of 41 CFR 60-300.42.

6. **VIOLATION:** WTS failed to develop an acceptable Section 503 AAP for the period January 1, 2019 through December 31, 2019, in accordance with the requirements of 41 CFR 60-741.44 and 60-741.45.

REMEDY: WTS will develop and implement an acceptable Section 503 AAP in accordance with the requirements of 41 CFR 60-741.44 and will invite individuals to self-identify as an individual with a disability in accordance with the requirements of 41 CFR 60-741.42.

IV. Reports and Monitoring

1. **Progress Report:** Pursuant to the Technical Violations in Part III of this Agreement, WTS will submit two progress reports covering a six month period from WTS's next AAP year. The first progress report will be due seven months after the start of WTS's AAP and will cover the first six-month period. The second progress report will cover the successive six-month period and will be submitted within 30 calendar days after the close of that six-month period. WTS will submit the reports and documents described below to:

Dinorah S. Boykin
District Director
Office of Federal Contract Compliance Programs (OFCCP)
San Antonio District Office
615 E. Houston Street, Room 340
San Antonio, Texas 78205
(b) (6), (b) (7)(C)@dol.gov

WTS will submit the following in its first progress report:

- i. The following EO 11246 AAP components:
 - a. Job group analysis.
 - b. Placement of incumbents in job groups.
 - c. Determination of availability analysis.
 - d. Comparison of incumbency to availability.
 - e. Placement goals.
- ii. For each job group and job title during the reporting period, the total number of all individuals that express interest in employment, all applicants, all hires and all rehires and the breakdown by race, gender and ethnic group, including all temporary, part time, full time, seasonal and contract employees.
- iii. For each job group or job title, provide the total number of promotions by gender and race/ethnicity. Also, include a definition of "promotion" as used by your company and the basis on which they were compiled (e.g. promotions to the job group, from and/or within the job group, etc.). If it varies for different segments of your workforce, please define the term as used for each segment. If you present promotions by job title, include the department and job group from which and to which the person(s) was promoted.
- iv. For each job group or job title, provide the total number of employee terminations by gender and race/ethnicity. When presenting terminations by job title, include the department and job group from which the person(s) terminated.

- v. A statement from WTS that confirms and describes how WTS conducted an adverse impact analysis in accordance with the requirements of 41 CFR 60-3.4 and 60-3.15A; for each case where the total selection process has an adverse impact, as defined in 41 CFR 60-3.4D, a statement regarding the results of WTS's evaluation of the individual components of the selection process and the actions taken by WTS upon determining that any component of the selection process has an adverse impact;
- vi. A statement from WTS that confirms and describes how WTS has implemented a record retention policy and system to preserve personnel and employment records including the tracking of applicants, hires, decisions at each step in the hiring process, and that documents are retained in accordance with the requirements of 41 CFR 60-1.12, 41 CFR 60-3.4 and 41 CFR 60-3.15.
- vii. The following VEVRAA AAP components:
 - a. Documentation that WTS invites applicants and employees to self-identify as a covered protected veteran.
 - b. Assessment of external outreach and recruitment efforts.
 - c. Data collection analysis.
 - d. Hiring bench mark evaluation that measures WTS' progress toward achieving equal employment opportunity for protected veterans.
- viii. The following Section 503 AAP components:
 - a. Documentation that WTS invited applicants and employees to self-identify as an individual with a disability using the language and manner prescribed by the Director and published on the OFCCP website.
 - b. Assessment of external outreach and recruitment efforts.
 - c. Data collection analysis
 - d. Utilization analysis
 - e. Annual evaluation to evaluate WTS' utilization of individuals with disabilities in each job group.

WTS will submit the following in its second progress report:

- i. For each job group and job title during the reporting period, the total number of all individuals that express interest in employment, all applicants, all hires and all rehires and the breakdown by race, gender and ethnic group, including all temporary, part time, full time, seasonal and contract employees.

- ii. For each job group or job title, provide the total number of promotions by gender and race/ethnicity. Also, include a definition of “promotion” as used by your company and the basis on which they were compiled (e.g. promotions to the job group, from and/or within the job group, etc.). If it varies for different segments of your workforce, please define the term as used for each segment. If you present promotions by job title, include the department and job group from which and to which the person(s) was promoted.
 - iii. For each job group or job title, provide the total number of employee terminations by gender and race/ethnicity. When presenting terminations by job title, include the department and job group from which the person(s) terminated.
 - iv. A description from WTS confirming it conducted an adverse impact analysis in accordance with the requirements of 41 CFR 60-3.4 and 60-3.15A; for each case where the total selection process has an adverse impact, as defined in 41 CFR 60-3.4D, a statement regarding the results of WTS’s evaluation of the individual components of the selection process and the actions taken by WTS upon determining that any component of the selection process has an adverse impact.
2. **Recordkeeping:** WTS agrees to retain all records relevant to the violations cited in Section III above. WTS will retain the records until this Agreement expires or for the period required by the regulations, whichever is later.
3. **Close of Monitoring Period and Termination of Agreement:** This Agreement shall remain in effect until the monitoring period is complete. The monitoring period will close once OFCCP accepts WTS’s progress reports as set forth in Part IV. If OFCCP fails to notify WTS in writing within sixty (60) calendar days of the date of the progress reports that WTS 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 WTS within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines WTS has met all of its obligations under the Agreement.

V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and World Technical Services Inc., 4903 NW Industrial, San Antonio, TX 78238-1938.

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

Jan Jasper
President and CEO
World Technical Services Inc.

DATE: August 9, 2021

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

Dinorah S. Boykin
District Director
San Antonio District Office

DATE: _____