

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

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Versacon, Inc. (hereinafter Contractor or Versacon, Inc.) establishment located at 9443 Science Center Drive, New Hope, MN 55428-3623, beginning on November 14, 2022. OFCCP found that Contractor failed to comply with Executive Order 11246, as amended and their respective implementing regulations at Title 41 of the Code of Federal Regulations (CFR) Chapter 60.

OFCCP notified Contractor of the specific violations and the corrective actions required in a Notice of Violation issued on March 31, 2023.

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

The attachments to this Agreement are deemed incorporated into this Agreement.

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, Section 503, and/or VEVRAA based on the violations alleged in the NOV. 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, 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, Section 503, and/or VEVRAA.

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 acting District Director (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 VIII, 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 C.F.R. 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 C.F.R. 60-1.27, 41 C.F.R. 60-741.66 (2014), or 41 C.F.R. 60-300.66 (2014), and/or other appropriate relief for violating this Agreement.
- 12. Contractor neither admits nor denies any violation of 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 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, 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. Technical Violations and Remedies

- 1. **VIOLATION:** During the period of November 15, 2021 through November 14, 2022, Versacon, Inc. failed to disseminate its Equal Employment Opportunity (EEO) policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing Versacon, Inc.'s EEO policy with other Contractors and Subcontractors with whom Versacon, Inc. does or anticipates doing business, as required by 41 CFR 60-4.3(a) 7.h.

CORRECTIVE ACTION: Versacon, Inc. must disseminate its EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing Versacon, Inc.'s EEO policy with other Contractors and Subcontractors with whom Versacon, Inc. does or anticipates doing business, as required by 41 CFR 60-4.3(a) 7.h.

- 2. **VIOLATION:** During the period of November 15, 2021 through November 14, 2022, Versacon, Inc. failed to document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations, as required by 41 CFR 60-4.3(a) 7.o.

CORRECTIVE ACTION: Versacon, Inc. must document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations, as required by 41 CFR 60-4.3(a)7.o.

3. **VIOLATION:** During the period of November 15, 2021 through November 14, 2022, Versacon, Inc. failed to provide written notification to OFCCP within 10 working days of award of any construction subcontract in excess of \$10,000 that was made under a covered federal or federally assisted construction contract, as required by 41 CFR 60-4.2(d)3.

CORRECTIVE ACTION: Versacon, Inc. must provide written notification to OFCCP within 10 working days of award of any construction subcontract in excess of \$10,000 that is made under a covered federal or federally assisted construction contract, as required by 41 CFR 60-4.2(d)3. The notification shall list the name, address and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Contractor agrees to retain all records relevant to the violations cited in Sections 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 Report Contents.** Versacon, Inc. agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

The report would cover 12-months of data from May 1, 2023 to April 30, 2024 and is due on June 1, 2024.

Violation 1

1. Copies of any employment advertisement or job announcements which specifically include the EEO "tagline." The tagline may state that Versacon, Inc. is "an equal opportunity employer," or it may alternatively state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, or national origin. The tagline should appear in all

advertisements placed in media, including those targeted towards minority and female audiences.

2. Copies of correspondence with subcontractors that notify them of EEO contractual obligations and Versacon, Inc.'s commitment to compliance.
3. Copies of all documented meetings with construction industry associations and organizations where the Federal EEO and affirmative action contract obligations and methods for facilitating compliance have been or acted upon.

Violation 2

1. Copies of letters or other direct solicitations for subcontracts from minority or female contractors with a record of the specific responses and any follow-up activities done to obtain price quotations.
2. A list of subcontracts awarded to minority and female contractors or suppliers, showing the dollar amount involved.
3. Copies of solicitations sent to minority and women's contractor associations or other business associations and state or local governmental agencies.

Violation 3

Copies of written notifications sent to OFCCP or evidence that contract notifications were loaded into OFCCP's Notification of Construction Contract Award Portal (<https://www.dol.gov/agencies/ofccp/ncap>) within 10 working days of award of any construction subcontract in excess of \$10,000 that is made under a covered federal or federally assisted construction contract.

The written notification shall list the name, address and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

- b. **Submission:** Contractor will submit reports to compliance officer (b) (6), (b) (7)(C) located at 920 2nd Avenue South # 575, Minneapolis, MN 55402, e-mail: (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 the Contractor believes should remain confidential under Exemption 4 of the Freedom of Information Act (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.

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 Part 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.

V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Versacon, Inc. New Hope, Minnesota.

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

Chuck Zierhut
President and owner
Versacon, Inc.

DATE: 4/12/2023

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

Margaret Kraak
Acting District Director, Minneapolis

DATE: 4/13/23

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

(b) (6), (b) (7)(C)
Compliance Officer, Minneapolis

DATE: 4/13/23