

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

### **Methodology for Developing the Supply and Service Scheduling List FY 2023, Release – 2**

The FY 2023 Supply and Service Scheduling List Release 2 contains 1,000 compliance evaluations for federal contractors and subcontractors covering establishment-based reviews, Corporate Management Compliance Evaluation (CMCE) reviews, and Functional Affirmative Action Program (FAAP) reviews. Establishment-based reviews for this list will also include reviews for financial institutions, universities, and colleges.

For establishment-based reviews (except for financial institutions, universities, and colleges), OFCCP selected federal contractors and subcontractors engaged in low-wage industries. OFCCP utilized the Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW) data for the fourth quarter of 2022 to identify industries with the lowest weekly wages. Additionally, OFCCP identified non-construction industries that received the highest frequency of contracts awarded through the Bipartisan Infrastructure Bill. Across these two parameters, contractors and subcontractors engaged in the following NAICS sectors were selected: Agriculture, Forestry, Fishing and Hunting; Manufacturing; Retail Trade; Professional, Scientific, and Technical Services; Administrative and Support and Waste Management and Remediation Services; Accommodation and Food Services; and Other Services (except Public Administration).

OFCCP created the pool of eligible contractors for this list by downloading federal contracts valued at \$50,000 or more from the USAspending database. Contracts awarded to federal, state, local, municipal, tribal, city, and foreign governments, school districts, and construction companies were removed. Healthcare contracts that fall under OFCCP's Final Rule: Affirmative Action and Nondiscrimination Obligations of Federal Contractors and Subcontractors: TRICARE Providers, 85 FR 39834 (July 2, 2020), and OFCCP's Extending the Scheduling Moratorium for Veterans Affairs Health Benefits Program Providers Directive (DIR 2021-01) were removed. Contract records expiring on or before December 31, 2023, were also removed.

OFCCP further refined the pool by retaining contractor and subcontractor establishments with the highest employee count in each district office. OFCCP matched company names and addresses against the 2021 EEO-1 filings to obtain employee counts. For each parent company with at least one contract of \$50,000 anywhere in the organization, all establishments that meet the scheduling list's criteria were included in the eligible pool of contractors. OFCCP created the pool of eligible financial institutions by downloading FDIC-insured banks, addresses, and employee counts from the FDIC online data tools.

OFCCP cross-referenced all eligible establishments and functional units with the agency's compliance management system to remove those that were: (1) currently under review; (2) currently in a monitoring period pursuant to a conciliation agreement; (3) currently within the exemption period following a closed review; (4) currently pending scheduling for review from a prior scheduling list; or (5) have an active separate facilities waiver.

OFCCP used the following criteria to finalize the selections: (1) OFCCP selected five CMCE reviews per region with the highest employee count in a district office; (2) OFCCP selected establishments with the highest employee count in each district office for establishment reviews and did not include more than two establishments of any parent company; (3) OFCCP selected six functional units per region that had the highest employee count between 200 and 400 in each district office and did not select more than three functional units of any parent company; (4) two financial institutions per region with the highest employee count in each region; and (5) two colleges/universities per region with the highest employee count in each region.

OFCCP assigned district office codes and regions to each establishment and functional unit based on the postal address. Compliance evaluations were distributed across regions and their district offices based on available staff, measured in full-time equivalents. When district offices did not have a large enough pool to receive their proportional share, other offices of the region were assigned additional cases to maintain the regional share. Regions can transfer cases across their district offices to balance their workload when appropriate. Where a parent company has two or more establishments on the scheduling list, OFCCP reassigned these compliance reviews to a single region so that both the agency and the contractor can engage in these reviews in a coordinated manner. University reviews were placed at the end of the list; all other reviews were randomly ordered within each district office. OFCCP does not purge unscheduled cases from prior lists before releasing a new scheduling list.

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