

CONCILIATION AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS
AND
KROESCHELL ENGINEERING CO.
3222 KENNICOTT AVE
ARLINGTON HEIGHTS, IL 60004
(R00207886)

PART I: GENERAL PROVISIONS

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Kroeschell Engineering Co. (hereinafter Kroeschell) located at 3222 Kennicott Ave in Arlington Heights, IL.
2. The violations identified in this Agreement were found during a compliance evaluation of Kroeschell that began on June 18, 2018, and were specified in a Notice of Violations issued on March 22, 2019. OFCCP alleges that Kroeschell has violated Executive Order 11246, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 USC 4212), as amended, and the implementing regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.
3. The provisions of this Agreement will become part of Kroeschell's Affirmative Action Program (AAP). Subject to the performance by Kroeschell of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Kroeschell with all OFCCP programs will be deemed resolved. However, Kroeschell is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
4. Kroeschell agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to Kroeschell's compliance. Kroeschell shall permit access to its premises during normal business hours for these purposes.
5. Nothing herein is intended to relieve Kroeschell from the obligation to comply with the requirements of Executive Order 11246, as amended, and/or 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), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.

6. Kroeschell agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceedings under Executive Order 11246, as amended, and/or 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).
7. This Agreement becomes effective on the day it is signed by the District Director for OFCCP (the "Effective Date").
8. If, at any time in the future, OFCCP believes that Kroeschell has violated any portion of this Agreement during the term of this Agreement, Kroeschell will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide Kroeschell with 15 days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes that Kroeschell has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violation resolved by this Agreement.

Liability for violation of this Agreement may subject Kroeschell to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-300.65 and .66, and/or other appropriate relief.

PART II: SPECIFIC PROVISIONS

1. **VIOLATION:** During the period January 1, 2017, through December 31, 2017, Kroeschell failed to identify, where possible, the gender, race, and ethnicity of each applicant or internet application in violation of 41 CFR 60-1.12(c)(ii). Specifically, Kroeschell stated it "did not keep detailed data on applicants for 2017. However, Kroeschell has created a system to better track and record applicant data. Further, Kroeschell has limited to no control over union labor placement and thus does not have access to union hall applicant data as well".

REMEDY: Kroeschell will identify, where possible, the gender, race, and ethnicity of each applicant or internet applicant, as required by 41 CFR 60-1.12(c)(ii). This will include accurately capturing and reporting all race and gender data of all applicants.

2. **VIOLATION:** During the period January 1, 2017, through December 31, 2017, Kroeschell failed to adequately perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist in violation of 41 CFR 60.2.17(b). Specifically, Kroeschell did not keep detailed applicant data, which prevented Kroeschell from performing an accurate in-depth analysis of its total employment process.

REMEDY: Kroeschell will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist, as required by CFR 60.2.17(b). This will include accurately capturing and reporting all race and gender data of applicants.

3. **VIOLATION:** During the period January 1, 2017, through at least February 27, 2019, Kroeschell failed to establish a hiring benchmark to measure its progress toward achieving equal employment opportunity for protected veterans, in violation of 41 CFR 60-300.45. Specifically, Kroeschell failed to provide evidence of compliance.

REMEDY: Kroeschell will establish a hiring benchmark for each of its establishments, on an annual basis, using one of the two methods prescribed in 41 CFR 60-300.45(b). Kroeschell will document its hiring benchmark, and, if Kroeschell sets its benchmark using the five-factor approach described in 41 CFR 60-300.45(b)(2), it will also document each factor that it considered in establishing its benchmark and the relative significance it accorded to each one. Kroeschell will retain these records for three years, as required by CFR 60-300.45(c). Kroeschell will also document its progress of the benchmark, as set forth under 41 CFR 60-300.44(k).

PART III: REPORTING

1. Kroeschell will retain records pertinent to violations cited in Part II above, and to the reports submitted in compliance with Paragraph 2 below. These records shall include data and/or information underlying the required reports, specifically, but not limited to all applications, personnel records and analyses required to remedy the violations. These records will be retained until the expiration of the Agreement or consistent with regulatory requirements, whichever is later.
2. Kroeschell agrees to furnish the OFCCP Chicago District Office, 230 S. Dearborn Street, Suite 434, Chicago, IL 60604 with the following report:

| <u>Report</u> | <u>Due Date</u> | <u>Covered Period</u> |
|---------------|-----------------|--------------------------------|
| Report 1 | May 1, 2020 | April 1, 2019 – March 31, 2020 |

The original Conciliation Agreement that was mailed to the contractor stated that Report 1 was due on February 1, 2020 and the covered period was January 1, 2019 – December 31,

2019. The contractor stated it did not have applicant data from January through March of 2019, this is why the OFCCP changed the due date and the covered period of this Agreement.

The report shall contain the following:

Pursuant to Violation 1:

- a. For each job group and job title, the total number of applicants and the total number of hires, as well as the number of African-American/Black, Asian/Pacific Islander, Hispanic, American Indian/Alaskan Native, White, and the number of female and male applicants and hires. For each job group and job title the total number of applicants for whom race and/or sex is not known should be included in the data submitted.

Pursuant to Violation 2:

- b. An in-depth analysis of its total employment process to determine whether and where impediments to equal employment opportunity exist, as required by 41 CFR 60-2.17(b).

Pursuant to Violation 3:

- c. Documents establishing a hiring benchmark to measure its progress toward achieving equal employment opportunity for protected veterans, as required by 41 CFR 60-300.45. In order to measure progress of the benchmark, submit documentation, as set forth in 41 CFR 60-300.44(k), showing that following computations or comparisons pertaining to applicants and hires were documented:
 - (1) The number of applicants who self-identified as protected veterans pursuant to 41 CFR 60-300.42(a), or who are otherwise known as protected veterans;
 - (2) The total number of job openings and total number of jobs filled;
 - (3) The total number of applicants for all jobs;
 - (4) The number of protected veteran applicants hired; and
 - (5) The total number of applicants hired.

TERMINATION DATE: This Agreement will expire 60 days after OFCCP receives the report required in Part III above or on the date that the District Director gives notice to Kroeschell that Kroeschell has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies Kroeschell in writing prior to the end of the 60-day period that Kroeschell has not satisfied its reporting requirements pursuant to this Agreement.

INTEGRATION CLAUSE: This Agreement represents the full Agreement between Kroeschell and the OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither Kroeschell nor the OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

PART IV: Signatures

The person signing this Conciliation Agreement on behalf of Kroeschell personally warrants he/she is fully authorized to do so, that Kroeschell has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Kroeschell. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Kroeschell.

4/26/2019
Date
(b) (6), (b) (7)(C)
BARRY KLASSY
President & CEO
Kroeschell Engineering Co.

4/29/19
Date
(b) (6), (b) (7)(C)
Compliance Officer
U.S. Department of Labor
OFCCP Chicago District Office

5-2-19
Date
(b) (6), (b) (7)(C)
Shelley J. Gordon
Assistant District Director
U.S. Department of Labor
OFCCP Chicago District Office

5/2/2019
Date
(b) (6), (b) (7)(C)
Michael J. Thomas
District Director
U.S. Department of Labor
OFCCP Chicago District Office