

## **CONCILIATION AGREEMENT**

Between

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

And

AMERICAN BUREAU OF SHIPPING  
1701 CITY PLAZA DRIVE  
SPRING, TX 77389

### **PART I. PRELIMINARY STATEMENT**

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the American Bureau of Shipping's (ABS) facility located at 1701 City Plaza Drive, Spring, TX 77389 and found that ABS was not in compliance with Executive Order 11246, as amended (E.O. 11246), and its implementing regulations at 41 CFR § 60-2. OFCCP notified ABS of the specific violations found and the corrective actions required in a Notice of Violations issued on August 22, 2019. 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 ABS enter this contract (Conciliation Agreement or Agreement) and agree to all the terms stated below.

### **PART II. GENERAL TERMS AND CONDITIONS**

1. In exchange for ABS' fulfillment of all obligations in Parts III and IV of the 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 ABS violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. ABS 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. ABS will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.
3. ABS understands that nothing in this Agreement relieves ABS of its obligation to fully comply with the requirements of E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (Section 503), and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA), and their implementing regulations, and other applicable equal employment laws.
4. ABS 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/or VEVRAA, or engages in any activity listed at 41 C.F.R. § 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 District Director unless the Regional Director of the Southwest and Rocky Mountain Region or the Director of OFCCP indicates otherwise.
9. This Agreement will expire sixty (60) days after ABS submits the final progress report required in Part IV (D), below, unless OFCCP notifies ABS in writing prior to the expiration date that ABS has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date that OFCCP determines ABS has met all of its obligations under the Agreement.

10. If ABS violates this Conciliation Agreement,

A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:

- 1) If OFCCP believes that ABS violated any term of the Agreement while it was in effect, OFCCP will send ABS a written notice stating the alleged violations and summarizing any supporting evidence.
- 2) ABS will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
- 3) If ABS 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. ABS may be subject to the sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief for violation of this Agreement.

11. This Agreement does not constitute an admission by ABS of any violation of E.O. 11246, or other laws, nor has there been an adjudicated finding that ABS violated any laws.

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

1. **VIOLATION:** ABS failed to combine jobs with similar content, wage rates, and opportunities to form job groups in accordance with 41 CFR § 60-2.12(b). Specifically, ABS originally submitted job groups with dissimilar salaries; and job titles with varying content and opportunities for inclusion in the AAP.

**REMEDY:** ABS will revise and submit an acceptable job group analysis to OFCCP no later than February 1, 2020.

2. **VIOLATION:** As a result of Violation 1, ABS failed to accurately determine the availability of minorities and women for each job group, compare the utilization of minorities and women in each job group with their estimated availability, and establish placement goals in accordance with 41 C.F.R. § 60-2.14 – 2.16.

**REMEDY:** ABS will revise and submit accurate availability and utilization analyses, and placement goals to OFCCP no later than February 1, 2020.

3. **VIOLATION:** ABS failed to conduct an accurate in-depth analysis of its total employment process to determine whether and where impediments to equal employment opportunities exist in accordance with 41 CFR § 60-2.17(b)(2)(3). Specifically, as a result of an inaccurate job group analysis, ABS was unable to provide an accurate adverse impact analysis in accordance with 41 CFR § 60-3.15(A) to determine whether there are selection disparities and was also unable to evaluate whether there are disparities in its compensation system based on race/ethnicity or gender.

**REMEDY:** ABS will conduct an accurate adverse impact analysis on at least an annual basis for purposes of determining whether adverse impact exists against applicants based on race, gender, 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, ABS 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, ABS will validate the component(s) in accordance with the Uniform Guidelines on Employee Selection Procedures or utilize selection procedures that do not result in adverse impact.

ABS will also accurately evaluate its compensation system to determine whether there are disparities in its compensation system based on race/ethnicity or gender.

**Part IV. REPORTS REQUIRED**

A. ABS must submit the documents and reports described below to:

Karen N. Hyman  
District Director  
2320 La Branch, Suite 1103  
Houston, TX 77004

The first progress report, due February 1, 2020, will contain the following based on the January 1, 2020 Affirmative Action Program and support data:

1. Job group analysis, availability of minorities and women for each job group, availability analysis, comparison of utilization of minorities and women in each job group with their estimated availability and established placement goals.
2. An electronic file containing employee level compensation data for all employees as of the snapshot date January 1, 2020. ABS will identify gender, race/ethnicity information and hire date for each employee as well as job title, EEO-1 Category and job group.

ABS will also submit two semi-annual progress reports. The first progress report will be due on July 30, 2020 and must cover the period January 1, 2020 through June 30, 2020. The subsequent report must cover the period July 1, 2020 through December 31, 2020, and must be submitted by February 1, 2021.

ABS will submit the following in each progress report:

1. A log of all job seekers and interns during the relevant review period. This log will include name, race, gender and ethnic group; recruitment source; disposition; job group, position applied for; position hired into, if applicable;
2. For each job group, the results of ABS' analysis as to whether its total selection process has an adverse impact, as defined in 41 CFR § 60-3.4D, on those members of groups set forth in 41 CFR § 60-3.4B. ABS must combine the data for the current report with the data from the previous report(s) to analyze at least a 12-month period;
3. For each case where the total selection process has an adverse impact, as defined in 41 CFR § 60-3.4D, the results of ABS' evaluation of the individual components of the selection process for adverse impact, and/or;
4. The corrective actions ABS implemented upon determining that any component of the selection process has an adverse impact on a particular race, gender or ethnic group.

ABS will retain all records and data pertinent to the violations resolved by this Agreement and/or used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever date occurs later (or whichever time period is longer).

**Part V. SIGNATURES**

This Conciliation Agreement is hereby executed by and between the OFCCP and the American Bureau of Shipping.

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

JOHN RYDER  
Sr. Vice President, Human Resources  
American Bureau of Shipping

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

(b) (7)(C), (b) (7)(E)  
Compliance Officer  
Houston District Office

Date: 9-12-2019

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

LATOYA SMITH  
Assistant District Director  
Houston District Office

Date: 9/12/2019

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

KAREN N. HYMAN  
District Director  
Houston District Office

Date: 09/12/2019

**REPORTING TIMELINE**

Company Name: American Bureau of Shipping

Effective Date of Conciliation Agreement:

09/12/2019

Action Required	Number of Calendar Days from Effective Date	Due Date
1.) Revise and submit job group analysis, availability of minorities and women for each job group, availability analysis, comparison of utilization of minorities and women in each job group with their estimated availability and established placement goals.  2.) Submit an electronic file containing employee level compensation data for all employees as of the snapshot date January 1, 2020. Identify gender, race/ethnicity information and hire date for each employee as well as job title, EEO-1 Category and job group.	142	02/01/2020
1. Log of all job seekers and interns during the review period by name, race, gender and ethnic group; recruitment source; disposition; job group, position applied for; position hired into, if applicable; 2. Results of adverse impact analysis by job group. 3. Results of individual component analysis in each case where adverse impact is identified. 4. Corrective actions implemented upon determining adverse impact has been identified by race, gender or ethnic group.	322	07/30/2020
1. Log of all job seekers and interns during the review period by name, race, gender and ethnic group; recruitment source; disposition; job group, position applied for; position hired into, if applicable; 2. Results of adverse impact analysis by job group. 3. Results of individual component analysis in each case where adverse impact is identified 4. Corrective actions implemented upon determining adverse impact has been identified by race, gender or ethnic group.	508	02/01/2021

Progress Reports		Due Date	Covered Period		
First Report (due 7 months from effective date of Agreement):	322	07/30/2020	01/01/2020	thru	06/30/2020
Second Report Due:	508	02/01/2021	07/01/2020	thru	12/31/2020
Expiration date of CA (60 days after receipt of the final progress report or on the date the District Director gives approval of the final report, whichever occurs earlier):	569	04/02/2021			