CONCILIATION AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS
AND
SOUTHERN INDUSTRIAL CONSTRUCTORS, INC.

PART I. PRELIMINARY STATEMENT


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 Southern will enter into this Conciliation Agreement ("Agreement") and the parties agree to all the terms therein.

PART II: GENERAL TERMS AND CONDITIONS

1. In exchange for Southern’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 described in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Southern 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 Southern’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. Southern 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 Southern 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.
Southern Industrial Constructors, Inc.
Conciliation Agreement

4. Southern 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. Southern 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, 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 District Director of the Charlotte, North Carolina District Office (the “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 Southern submits its final progress report required in Part IV, below, unless OFCCP notifies Southern in writing before the expiration date that Southern 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 Southern has met all of its obligations under the Agreement.

11. If Southern violates this Agreement:

   a. The procedures at 41 C.F.R. § 60-1.34, 41 C.F.R. § 60-300.63 (2014) and 41 C.F.R. § 60-741.63 (2014) will govern:

      i. OFCCP will send Southern a written notice stating the alleged violations and summarizing any supporting evidence.

      ii. Southern 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 Southern 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.
Southern Industrial Constructors, Inc.
Consolidation Agreement

iv. In the event of a breach of this Agreement by Southern, 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. Southern 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. Southern 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 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.

PART III. SPECIFIC VIOLATIONS AND REMEDIES

1. VIOLATION: During the period March 1, 2017 through August 1, 2018, Southern failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 C.F.R. § 60-1.12(a) and (e). Specifically, Southern failed to keep applicant records.

REMEDY: Southern will keep and preserve complete and accurate personnel and employment records, in accordance with 41 C.F.R. § 60-1.12(a) and (e), and will keep and preserve those records for a period of not less than two years from the date of the making of the record or the personnel action, whichever occurs later. However, if Southern has a total workforce of 150 or fewer employees or does not have a government contract of at least $150,000, the minimum record retention period shall be one year from the making of the record or the personnel action, whichever occurs later, as permitted by 41 C.F.R. § 60-1.12(a).

2. VIOLATION: During the period of March 1, 2017 through August 31, 2018, Southern failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified protected veterans, document these activities, assess
their effectiveness, and document its review, in violation of 41 C.F.R. § 60-300.44(f). Specifically, Southern failed to document and retain records associated with its outreach and recruitment activities. Due to this failure, Southern failed to evaluate each outreach and recruitment activity and come to a reasonable conclusion as to whether each activity is effective in identifying and recruiting qualified protected veterans.

**REMEDY:** Southern will undertake appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified protected veterans, such as those described at 41 C.F.R. § 60-300.44(f)(2). Southern will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 C.F.R. § 60-300.44(f)(3). Southern will document all activities it undertakes to comply with this section, in accordance with 41 C.F.R. § 60-300.44(f)(4). As a part of these outreach and recruitment activities Southern will use the resources identified below and/or other resources identified by Southern to recruit qualified protected veterans.

Victor Glover, Director  
NC Division of Workforce Solutions  
Veterans Employment Service  
313 Chapanoke Road, Suite 210, Raleigh, NC 27603  
Phone: (919) 814.0451  
Email: Ex(7)(C)@nccommerce.com

Mike Burns, Warriors to Work Specialist  
Wounded Warrior Project  
1990 Fordham Drive, Suite 100, Fayetteville, NC 28304  
Phone (910) 778.7185  
Email: Ex(7)(C)@woundedwarriorproject.org

3. **VIOLATION:** During the period March 1, 2017 through August 31, 2018, Southern failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified individuals with disabilities, document these activities, assess their effectiveness, and document its review, in violation of 41 C.F.R. § 60-741.44(f). Specifically, Southern failed to document all outreach recruitment activities and retain such documentation. Due to this failure, Southern failed to evaluate each outreach and recruitment activity and come to a reasonable conclusion as to whether each activity is effective in identifying and recruiting qualified individuals with disabilities. Further, Southern failed to conduct an assessment of its overall outreach and recruitment efforts and reach a conclusion regarding whether its efforts as a whole are effective.

**REMEDY:** Southern will undertake appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified individuals with disabilities, such as those described at 41 C.F.R. § 60-741.44(f)(2). Southern will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 C.F.R. § 60-741.44(f)(3). Southern will document all activities it undertakes to comply with this section, in accordance with 41 C.F.R. § 60-741.44(f)(4). As
Southern Industrial Constructors, Inc.

Conciliation Agreement

A part of these outreach and recruitment activities Southern will use the resources identified below and/or other resources identified by Southern to recruit qualified individuals with disabilities.

Stephanie Vinson, Unit Manager
Rehabilitation Services North Carolina Division of Vocational
4900 Waters Edge Drive, Raleigh North Carolina 27606
Telephone: (919) 859.8301
Email: Ex (7)(C) @dhhs.nc.gov

Betty Gholston, Area Supervisor
Division of the Services for the Blind - Raleigh District Office
307 Ashe Avenue, Raleigh, North Carolina 27606
Telephone: (919) 527.6740
Email: Ex (7)(C) @dhhs.nc.gov

PART IV. OFCCP MONITORING PERIOD

1. Recordkeeping. Southern agrees to retain all records relevant to the violations cited in Section 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. Southern will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. Contractor Reports.

Schedule and Instructions. Southern agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

Progress Report 1: The first report shall be from March 1, 2020 through August 31, 2020, this report shall be due on September 15, 2020.

Progress Report 2: The first report shall be from September 1, 2020 through February 28, 2021, this report shall be due on March 15, 2021.

Both reports shall include the following:

Pursuant to Violation #1- (a) Documentation confirming that Southern preserved all applicant records; and (b) for each job group, include a numerical summary of all applicants and hires by race and gender during the Monitoring Period as described in the Schedule and Instructions section above.
Pursuant to Violation #2—Documentation to include (a) Southern’s efforts to recruit qualified protected veterans for job vacancies, including contacts with and responses from the recruitment sources identified in Part III above and from all other recruitment sources Southern used, along with a report on the number of applicants referred by job group, job title, recruitment source and the number of applicants hired, broken out by job group, job title and recruitment source; (b) a list containing all outreach and recruitment activities along with an assessment containing the criteria Southern uses in its assessment evaluating whether each activity was effective or not in identifying and recruiting qualified protected veterans; (c) an assessment of Southern’s overall outreach and recruitment efforts and, if Southern concludes that those overall efforts are not effective, what efforts Southern have taken in identifying and implementing alternative efforts.

Pursuant to Violation #3—Documentation to include (a) Southern’s efforts to recruit qualified individuals with disabilities for job vacancies, including contacts with and responses from the recruitment sources identified in Part III above and from all other recruitment sources Southern used, along with a report on the number of applicants referred by job group, job title, recruitment source and the number of applicants hired, broken out by job group, job title and recruitment source; (b) a list containing all outreach and recruitment activities along with an assessment containing the criteria Southern uses in its assessment evaluating whether each activity was effective or not in identifying and recruiting qualified individuals with disabilities; (c) an assessment of Southern’s overall outreach and recruitment efforts and, if Southern concludes that those overall efforts are not effective, what efforts Southern have taken in identifying and implementing alternative efforts.

Southern will submit reports to Assistant District Director George Rouse III at @doj.gov. Southern 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 Southern provides in accordance with this agreement are customarily kept private or closely-held, and the Southern believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Southern 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 Southern’s final progress report as set forth in Part II, Paragraph 10 above. If OFCCP fails to notify Southern in writing within sixty (60) days of the date of the final progress report that Southern 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 Southern within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Southern has met all of its obligations under the Agreement.
Southern Industrial Constructors, Inc.
Conciliation Agreement

PART IV: SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Southern Industrial Constructors, Inc. located at 6101 Triangle Drive Raleigh, North Carolina 27617.

DATE: March 5, 2020

Ex (6), Ex (7)(C)

Robert Portman
President and CEO
Southern Industrial Constructors
6101 Triangle Drive
Raleigh, North Carolina 27617

DATE: March 5, 2020

Ex (6), Ex (7)(C)

[Signature]
Compliance Officer – Charlotte
Office of Federal Contract Compliance Programs

DATE: March 9, 2020

Ex (6), Ex (7)(C)

George House
Assistant District Director – Raleigh
Office of Federal Contract Compliance Programs

DATE: March 9, 2020

Ex (6), Ex (7)(C)

Pamela Quiam
District Director – Charlotte
Office of Federal Contract Compliance Programs