

CONCILIATION AGREEMENT

BETWEEN

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

And

**Insitu, Inc. (Boeing Bingen 780WA)
118 E. Columbia River Way
Bingen, Washington 98605**

PART I: GENERAL PROVISIONS

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Insitu, Inc. (Boeing Bingen 780WA), (hereinafter Insitu) located at 118 East Columbia River Way, Bingen, Washington 98605.
2. The alleged violation identified in this Agreement was found during a compliance review of Insitu which began on March 16, 2011 and was specified in a Notice of Violation issued October 18, 2011. OFCCP alleges that Insitu has violated Executive Order 11246, as amended and implementing regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by Insitu of any violation of Executive Order 11246, as amended and implementing regulations.
4. The provisions of this agreement will become part of Insitu's written AAP. Subject to the performance by Insitu of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Insitu with all OFCCP programs will be deemed resolved. However, Insitu 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.
5. Insitu 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 Insitu's compliance. Insitu shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Insitu 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.

7. Insitu 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, 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).
8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the District Director for OFCCP, unless the Regional Director for OFCCP indicates otherwise within 45 days of the District Director's signature on this Agreement.
9. If at any time in the future, OFCCP believes that Insitu has violated any portion of this Agreement during the term of this Agreement, Insitu 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 Insitu 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 Insitu has violated this Conciliation Agreement, OFCCP may seek enforcement of the agreement itself and shall not be required to present proof of the underlying violations resolved by the agreement.

Liability for violation of this Agreement may subject Insitu to sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief.

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PART II: SPECIFIC PROVISIONS

ALLEGED VIOLATION:

Insitu failed to ensure that its employees were compensated without regard to their gender, as required by 41 CFR 60-1.4(a)(1). Specifically, OFCCP's compliance review of compensation practices for the (b) (7)(C) position as of March 18, 2011, revealed a compensation disparity that shows a female employee was compensated at a lesser rate than similarly situated male employees.

OFCCP's cohort analysis of Insitu's compensation practices which takes into account factors which Insitu identified as influencing pay, revealed that (b) (7)(C) in the (b) (7)(c) job is compensated less in annual salary than male counterparts. Insitu has not demonstrated a business necessity and non-discriminatory reason.

REMEDY:

Insitu agrees to revise its compensation practices and take steps to ensure that the application of its compensation system does not treat employees differently based on their gender and provides an equal opportunity to all of its employees, irrespective of gender. This applies to all aspects of compensation, including, but not limited to, initial salary at the time of hire, subsequent pay increases and internal equity among employees. To resolve the alleged violation Insitu agrees to the following:

- a. After 45 days from the effective date of this Agreement, but no later than 60 days from the effective date, Insitu will provide back pay in the amount of \$5,729.22 and interest in the amount of \$330.57 to (b) (7)(c). Additionally, effective March 18, 2011, Insitu adjusted (b) (7)(c) salary from (b) (7)(c).
- b. Conduct an audit and analysis of its compensation practices as they impact all employees included in the Bingen 780WA AAP.
- c. Follow compensation policies and procedures that will not differentiate compensation on the basis of gender of employees.
- d. Provide training to those managers who participate in the application of any component of Insitu's compensation system. The purpose of this training is to familiarize those managers with principles underlying the uniform application of criteria, which are used to establish compensation.

Insitu agrees not to repeat the above alleged violation.

PART III: REPORTING

In order for the OFCCP to monitor compliance with this Conciliation Agreement, Insitu agrees to furnish the U.S. Department of Labor, Office of Federal Contract Compliance Programs, Portland Area Office, 620 SW Main Street, Suite 411, Portland, Oregon 97205, with the following report:

<u>Report Due Date</u>	<u>Period Covered</u>
Report 1: April 30, 2012	Effective date of Agreement through March 31, 2012

The progress report shall contain the following:

1. Evidence of back pay and pay increase given to (b) (7) (c) listed in the attachment.
2. Evidence of training provided to the managers who participate in the application of any component of the compensation process, including the date and location of the training, names and positions of the trainers, names and positions of the managers who attended and copies of the sign-in sheet and training materials.

TERMINATION DATE:

This Agreement will expire on June 30, 2012 or the date that the District Director of OFCCP provides written notice to Insitu that it has satisfied the reporting requirements, whichever date is later.

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PART IV: SIGNATURES

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Insitu 118 East Columbia River Way, Bingen, Washington 98605.

DATE: 8 DEC 2011

(b) (7) (c)

Steve Morrow
Chief Executive Officer
Insitu, Inc.
118 E. Columbia River Way
Bingen, Washington 98605

DATE: 12/12/2011

(b) (7) (c)

Compliance Officer
Office of Federal Contract
Compliance Programs
Portland, OR 97205

DATE: 11/11/12

(b) (7) (c)

Leigh Jones
District Director
Office of Federal Contract
Compliance Programs
Seattle, WA 98101

Attachment
Insitu Conciliation Agreement
R00164291

Employee ID	Previous Annual Salary (as of March 18, 2011)	Revised Annual Salary	Annual Salary Adjustment	Back pay (3/18/09-3/18/09)	Interest	Back pay + Interest
(b) (7) (c)			\$3,494.40	\$5,729.22	\$330.57	\$6,059.79