

## Office of Federal Contracts Compliance Programs

### Methodology for Developing the Supply & Service Scheduling List FY 2019, Release - 1

The process of developing the first release of the FY 2019 Supply and Service scheduling list started by downloading Federal contract information of currently active contracts from the Federal Procurement Data System–Next Generation (FPDS-NG). The FPDS-NG is a publicly-available information system administered by the U.S. General Services Administration (GSA). The downloaded transactional data were consolidated to create a single record for each contract, containing: the contract number, contractor names, establishment address, contract-related dates, contract-related dollar amounts, contracting agency, the Data Universal Numbering System (DUNS) number, and the North American Industry Classification System (NAICS) code. Cancelled contracts, contracts associated with debarred companies, contracts valued at less than \$50,000, and contracts awarded to federal, state, local, municipal, tribal, city, and Foreign governments, school districts, or construction companies were removed. Contracts that did not have any contract modification in the last fifteen months were assumed closed or cancelled, and were also removed.

Contract records were further consolidated at the establishment level based on the physical address of the establishment. If a contractor had only one contract at a given establishment address, the contract record was called the “Establishment Record.” If a contractor had multiple contracts at the same physical address, the contract record with the farthest expiration date became the Establishment Record and contract numbers from all other contract records were added to it. The resulting establishments were called “Direct Establishments.” Company names and addresses of Direct Establishments were matched against the EEO-1 database, which is administered by the Equal Employment Opportunity Commission (EEOC). For Establishment Records that matched EEO-1 records, OFCCP added the parent name, establishment name, unit number, headquarter number, establishment status, employee count, and contact information from the EEO-1 records to the respective Establishment Records. Establishment Records were further consolidated at the parent level to capture all contracts held by each parent company. If a parent had only one establishment with a contract(s), the “Parent Record” was the same as the Establishment Record. If a parent had multiple establishments with contract(s), the Establishment Record that had the farthest contract expiration date became the Parent Record and contract numbers from all of its establishment records were added to it. Direct establishments with less than 70 employees and establishments that had active separate facility exemption waiver were removed from the Establishment file.

Healthcare establishments that fell under OFCCP’s TRICARE Directive (DIR 2014-01) were removed from, both, Establishment and Parent files. Also, OFCCP has decided to not include any University Reviews on this scheduling list. Functional units and establishments of companies that had Functional Affirmative Action Program (FAAP) agreements with OFCCP were added to the Establishment file as per their active FAAP agreements. Contract information obtained from FPDS-NG was added to these records from their respective Parent Records. For each non-FAAP parent in the Parent File, OFCCP extracted all establishments with 100 or more

employees from the EEO-1 database and added them to the Establishment File. These extracted establishments did not have direct contracts but fell within OFCCP's jurisdiction because their parent entity had a covered direct contract(s). These additional establishments were called "Associate Establishments." Contract information was added to these Associate Establishments from their respective parent records. Each record in the Establishment file was identified as a Direct Establishment, Associate Establishment, or FAAP Functional Unit. An OFCCP district office code was assigned to each establishment based on the establishment's physical address.

OFCCP cross-referenced the Establishment file with the agency's administrative database (OFIS) to remove establishments that: (1) were under review or monitoring period, (2) had completed a review or monitoring period within the last two years, or (3) were pending scheduling for review from a prior scheduling list, as of the release date of this scheduling list. Using Lexis-Nexis Corporate Structure and Duns and Bradstreet Family Tree, OFCCP removed independent subsidiaries of corporations that did not have contract coverage.

In total, this scheduling list is comprised of 3,500 establishments, which includes 500 Section 503 Focused Reviews and 500 Compliance Checks. OFCCP determined the number of establishments on this list that each region or district office received based on available human resources (FTE) as of January 9, 2019. OFCCP also used the following criteria in developing this scheduling list: (1) OFCCP did not include more than 15 establishments of any parent company in the entire scheduling list; (2) OFCCP did not include more than five establishments of the same company in any particular district office; and (3) OFCCP allocated no more than two CMCE Reviews and three FAAP Reviews to each district office. Further, consistent with a recommendation contained in a Government Accountability Office (GAO) Report (GAO-16-750), OFCCP focused approximately one-third of this scheduling list on industries that OFCCP determined as having the highest rates of discrimination findings. OFCCP used financial Conciliation Agreements (CA) that included discrimination findings as the neutral criteria that defines "discrimination finding." Applying this criteria, OFCCP reviewed the past five years of financial CAs and determined that the Agriculture, Manufacturing, and Wholesale Trade industries had the highest rates of discrimination findings. OFCCP selected 1,167 establishments from these three industries based on the highest employee count regardless of geographic location. These establishments did not include any corporate headquarters and populated various district offices, nationwide. The remaining establishments from these industries were added to the establishments of other industries and were used to assign additional establishments to offices to meet their share of this scheduling list. These additional establishments were also selected based on the highest employee count from the ones that were available within each office's geographic jurisdiction.

This list includes two Corporate Management Compliance Evaluation (CMCE) reviews per district office. CMCE reviews were selected based on the highest employee count (above 299 employees) when such headquarter establishments were available in a district office's jurisdiction. For Section 503 Focused Reviews, OFCCP selected corporate headquarters of multi-establishment companies that had the largest number of establishments, when such headquarters were available in a district office's jurisdiction. The three FAAP functional units with the highest employee counts were included for the district office's FAAP reviews; provided that such FAAP functional units were available within a district office's jurisdiction.

Establishments for Compliance Checks were selected at a regional level. Number of establishments with the lowest employee counts within each region that met the regional share for compliance checks were designated for Compliance check reviews.

If any district office did not have a sufficient supply of establishments for compliance evaluations or Section 503 Focused Reviews, then other district office(s) within the same region received additional establishments to satisfy the regional share. Similarly, if a region did not have a sufficient supply of establishments for Section 503 Focused Reviews, then other region(s) received additional Section 503 Focused Reviews to reach a total of 500 such reviews. OFCCP randomly ordered the Compliance Checks, CMCE reviews, and FAAP reviews at the beginning of the scheduling list. Single establishment compliance reviews and Section 503 Focused Reviews were randomly ordered following the Compliance Checks, CMCE reviews, and FAAP reviews. OFCCP appended this randomly sorted scheduling list to district offices' lists of unscheduled establishments in the Case Management System. 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 and consistent with the agency's Transparency Directive, DIR 2018-08 § 7(a) ii. 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.*