

# **Contractor/Subcontractor EEO/AA Compliance Review**

## **About**

The Iowa Department of Transportation (IA DOT) Bureau of Civil Rights (CRB) conducts annual compliance reviews to ensure contractors and subcontractors performing on federal, non-federal-aid, or Iowa DOT let contracts are in compliance with Equal Employment Opportunity/Affirmative Action (EEO/AA) requirements. Mandated by the Federal Highway Administration (FHWA), compliance reviews are conducted on construction throughout the state during every construction season.

These frequently asked questions (FAQs) provide some essential background information to contractors or subcontractors undergoing an annual compliance review.

## **Compliance Review Overview**

### **What is a compliance review?**

A compliance review is the process for determining whether a contractor or subcontractor working on a construction site with federal funds is meeting EEO/AA program requirements.

### **What happens during a compliance review?**

A compliance review consists of a Desk Audit and a Home Office Visit:

- **Desk Audit:** A review of the contractor's policies, practices, and procedures related to EEO compliance and workforce information. Depending upon the results of the initial analysis, additional information may be requested.
- **Home Office Visit:** A Home Office Visit is an on-site interview with owner, corporate officers, assigned EEO/AA Officer to review workforce information, make additional inquiries and identify areas for improvement.

The findings in a compliance review are shared with the contractor at the Home Office Visit. NOTE: Desk Audits and Home Office Visits are conducted independently.

### **What authority does IA DOT CRB have to conduct a compliance review?**

Both federal and state law grants IA DOT CRB the authority to conduct compliance reviews.

### **How is a contractor/subcontractor selected for a compliance review?**

Iowa DOT and FHWA dictate that when identifying potential candidates for a compliance review, priority is to be given to contractors. The following criteria will be used in selecting contractors for desk audits:

- Deficiencies or observation made during most recent compliance review;
- EEO/AA compliant against the contractor;
- Observation (s) during prior review that warrants follow up;
- No compliance review conducted within the past five years;
- First time contractor or subcontractor receiving work of \$50,000 or more;
- The dollar amount of work on DOT projects during the past 12 months. Contractors with higher amount dollar amounts of work have more potential for impact, i.e. \$5,000,000 or more;
- Work I geographic areas of greatest potential for the recruitment of females or minorities;
- Random selection of any contractor or subcontractor with work in excess of \$50,000;
- A higher dollar value project will be given consideration for project-specific review.

### **Are other government agencies involved in an annual compliance review?**

While IA DOT CRB's Affirmative Action Compliance Officers are responsible for conducting annual compliance reviews, the FHWA, may participate in the process.

### **What role do Affirmative Action Compliance Officer play?**

Affirmative Action Compliance Officer are state employees with experience in policies, practices and procedures relating to workforce and Equal Employment Opportunity/Affirmative Action legal requirements.

Affirmative Action Compliance Officer with IA DOT CRB conducts the annual compliance review, identifies deficiencies and corrective measures, and makes compliance recommendations.

### **What authority does IADOT CRB use to identify deficiencies?**

CRB's authority to identify deficiencies derives from 23 C.F.R. § 230.409 and the Required Contract Provisions for Federal-Aid Construction Contracts (Form FHWA-1273).

### **Who is the primary point of contact during a compliance review?**

The contractor should [contact the Affirmative Action Compliance](#) Officer listed in the Notification of Compliance Review letter.

## **Desk Audit**

### **What is the desk audit?**

A desk audit is a review of a contractor/subcontractor's policies, practices and procedures related to EEO/AA compliance and workforce information. Depending upon the results of the initial analysis, additional information may be requested.

### **Who conducts it?**

The Affirmative Action Compliance Officer conducts the desk audit.

### **What workforce information must contractors provide?**

A list of all new hires company wide. Include each person's race, sex, job classification, date of hire, and referral sources used to recruit the employees.

A list of all layoffs, terminations, transfers, demotions, and promotions company wide. Include each person's race, sex, previous or new job classification (s), corresponding wage rates, and date of actions. Exclude any seasonal or voluntary terminations or layoffs.

A list of all employees who received advancement training.

A summary of the company's progress and efforts in locating, hiring, and qualifying minority and female employees, listing referral sources or publications utilized in an effort to recruit and hire females and minorities: include the name of agency or publication, contact person, date of contact, address, phone number, and results.

## **Home Office Visit**

### **What is the Home Office Visit?**

The Home Office Visit consists of the Affirmative Action Compliance Officer meets with the contractor's EEO/AA officer and staff member (s) with the authority to make personnel decisions concerning project staff to review workforce information, make additional inquiries, and identify areas for improvement.

### **How long does it typically take?**

The entire Home Office Visit typically takes between two to three hours.

## **Interviews with company officials**

### **Who should attend?**

The Owner, EEO/AA Officer or Officer of Company.

### **Where does the interview occur?**

Typically held at the Contractor/Subcontractor's business location office.

### **What type of questions are asked?**

The questions are structured around the EEO/AA Policy workforce information previously submitted by the contractor.

### **Should any documents be brought to the interview?**

The Affirmative Action Compliance Officer sends a Notification Letter and Home Office Visit Questionnaire that includes documentation of what the Contractor/Subcontractor should have at the interview.

A copy of all documents requested in the Home Office Visit Questionnaire should be brought to the interview.

### **Home Office Visit interviews**

#### **How is a Home Office Visit review determined?**

Once the Desk Audit is complete the Affirmative Action Compliance Officer determines if a Home Office Visit is required and notifies the Contractor/Subcontractor.

#### **Who is responsible for coordinating the Home Office Visit reviews?**

The Home Office Visit interviews are coordinated by the Affirmative Action Compliance Officer and Contractor/Subcontractors Specifically, interviews are scheduled for a date that works for the Affirmative Action Compliance Officer and Contractor or Subcontractor.

### **Post-Compliance review**

#### **What is a Voluntary Corrective Action Plan (VCAP)?**

The VCAP is a document that outlines both the deficiencies uncovered during the Desk Audit and Home Office Visit review and the timeframes for implementing corrective measures.

#### **When is a VCAP issued?**

At the exit of the Home Office Visit the Affirmative Action Compliance Officer will discuss recommendations for the Contractor's VCAP (if applicable).

#### **How long does the contractor have to correct any deficiencies?**

The Voluntary Corrective Action Plan may be negotiated at the exit review so that within **15 days** following exit review the Affirmative Action Compliance Officer will prepare the Compliance Review Report.

#### **What's the difference between a deficiency and a recommendation?**

**Deficiencies** are violations of the Code of Federal Regulations, Form FHWA-1273, or any other applicable provisions of state or federal law.

**Recommendations** are action the contractor can – and should -- take to improve EEO performance.

### **What if additional deficiencies are identified after the exit conference or post-VCAP?**

If additional deficiencies are discovered by either IADOT CRB or the FHWA after the exit review or issuance of the VCAP, it will not prevent the issuance of a subsequent VCAP and/or a finding of noncompliance.

### **What if the contractor doesn't agree with the deficiencies?**

The preliminary results of a compliance review are shared with the contractor during the exit interview. During this time, concerns may be raised with the Affirmative Action Compliance Officer.

If issues remain with the deficiencies and/or corrective measures ultimately outlined in the VCAP, the contractor has the option of first contacting the [IADOT CRB Director](#). If no resolution is reached here, the contractor may reach out to the Iowa [FHWA Specialist](#).

### **What if the contractor fails to correct deficiencies by their respective due dates?**

Failure to correct deficiencies and/or implement corrective measures by their respective due dates will result in the project contract being placed in non-compliance. This is significant, as it could result in the imposition of sanctions, including withholding of the payment in the amount of the monthly estimate, or the issuance of a show cause notice.

### **What is a Show Cause Notice?**

A Show Cause Notice shall be issued when a determination of noncompliance is made by the Contractor/Subcontractor from the findings of the Home Office Visit review.

The Affirmative Action Compliance Officer will send notification to Contractor/Subcontractor within 15 days following the completion of the Home Office Visit if Contractor/Subcontractor is found in noncompliance.