OFCCP Requests Comments on Monthly Employment Utilization Report on Construction Contractor Employees

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On February 23, 2024, the Office of Federal Contract Compliance Programs (OFCCP) published a notice in the *Federal Register* seeking to reinstate Form CC-257, the Monthly Employment Utilization Report, with changes.

Quick Hits

- Covered construction contractors may be required to submit a monthly report to the U.S. government containing employee counts, work hours, demographics, and trade and classification information.
- Comments on the proposal are due no later than April 23, 2024.

Previously, construction contractors were required to submit Form CC-257 to OFCCP on a monthly basis and to provide information on construction trade employee work hours by race/ethnicity, gender, and trade in the covered geographic area where the work was performed. OFCCP <u>discontinued</u> the collection in 1995. OFCCP's February 23, 2024, notice proposes reviving this monthly reporting requirement, with some additional burdens.

As OFCCP explained in its <u>Supporting Statement</u> accompanying the <u>notice</u>, under the proposed new version of Form CC-257, "covered construction contractors" would provide much of the same information from the previous Form. However, contractors would also be required to report on the number of employees in each trade by race, gender, and classification who performed work in each Standard Metropolitan Statistical Area (SMSA) or Economic Area (EA) ("covered area") during the reporting period. This employee count information will help OFCCP understand how work hours are distributed across the workforce and determine whether there are potential hiring or job assignment issues to investigate during a compliance evaluation.

In addition, the <u>updated form</u> would request:

- The Unique Entity ID (UEI) or Data Universal Numbering System (DUNS) number
- The number of covered areas (SMSAs or EAs) with projects during the reporting period

- The name and email address of the company official who will certify the information
- Information about whether the company is a prime contractor, subcontractor, or both
- Information about whether the company performed work on a Megaproject
- Optional comments to provide more context about the submission

Other key changes include removing a requirement for contractors to list their current goals for the covered area, and updates to the data collection chart, including:

- Adding a new "foreperson" classification
- Revising the race categories to align with EEO-1 race categories
- Adding an "All" totals column

Based on the Form's <u>proposed instructions</u>, this reporting requirement would apply to companies with a direct federal construction contract or subcontract, as well as companies with a federally assisted contract or subcontract, in excess of \$10,000. The instructions also note that "OFCCP's secure, webbased platform is the preferred method for submitting CC-257 reports," though mail, email, and fax are also options. While footnote 42 of the Supporting Statement suggests that this reporting obligation would be less burdensome than in the past because it "requires one monthly report covering all SMSAs," rather than separate reports for each SMSA/EA, the proposed instructions are clear that covered construction contractors are not providing aggregate data; rather, they must still provide employee count and work hours information for each SMSA/EA with projects during the reporting period, just on one combined form.

According to OFCCP, "[e]mployment discrimination continues to be a problem in the construction industry." OFCCP expects that reinstating Form CC-257 will "strengthen its construction program by using the collected information to inform compliance assistance efforts and track the progress of contractor's [*sic*] outreach efforts and the agency's Megaproject Program." In addition, OFCCP states that the information will improve its scheduling of compliance evaluations, "as the reports will provide relevant information on which projects are currently active and current employee counts." On October 6, 2023, OFCCP announced a new list of mega construction designees, which identified twelve new construction "megaprojects," as part of its <u>Megaproject Program</u>.

Comments are due on or before April 23, 2024.

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