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OFCCP Releases Revised Construction Scheduling Letter

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As its first official act of the 2025 Fiscal Year, OFCCP announced the release of <u>a revised Scheduling Letter and Itemized Listing for Construction contractors</u>. The release follows the Agency's February 2024 publication of proposed changes to the letter and despite its release on October 2, 2024 will apply to any construction audits initiated "on or after October 1, 2024."

A number of the changes are similar in nature to the <u>changes OFCCP made to the Supply and Service Scheduling Letter and Itemized Listing in August 2023</u>, while others are unique to the construction industry.

Under the new scheduling letter, construction contractors will be required to provide significantly more with the initial audit submission, including detailed data and documents related to personnel and employment practices. For example, contractors are now required to include payroll information beyond base pay. OFCCP does not clarify whether contractors must distinguish between the specific types of pay an employee may receive or can simply report compensation as one lump sum. OFCCP also clarifies that employment activity data must now be provided for all trade employees, including those involved in supervising, inspecting, or engaging in "other onsite functions incidental to the actual construction."

Contractors must now also report on employee lay-offs, including the former employee's name, trade/job title, gender, race/ethnicity, the date of and the reason for the layoff, as well as recall eligibility.

OFCCP has also expanded reporting obligations relating to policies similar to those required of Supply and Service contractors. In addition to submitting a compliant EEO Policy Statement, contractors now must also submit antiharassment policies, policies on EEO complaint procedures, policies on employment agreements impacting employees' equal opportunity rights and complaint processes, "and any other EEO policies."

Consistent with the updated Supply and Service Scheduling, OFCCP now requires construction contractors to report on any artificial intelligence, algorithms, or other automated systems in its hiring process. In fact, the scheduling letter requires construction contractors identify all selection procedures used to fill relevant positions in the Standard Metropolitan Statistical Area ("SMSA")

selected for audit, including *all* tests used in the hiring process (whether or not the test is technology-based). Importantly, contractors must also provide evidence that any tests or selection procedures were validated (in accordance with 41 CFR 60-4.3(a)7.k and 41 CFR 60-3).

Mirroring the Supply and Service scheduling letter, construction contractors must also demonstrate that the company is monitoring its personnel/employment activities to ensure that seniority practices, job classifications, work assignments, and other personnel practices did not have a "discriminatory effect," and that the company's EEO policy and related obligations are being fulfilled.

For construction contractors with federal direct or subcontracts other than federally assisted contracts, the new scheduling letter includes updated items required for submission related to its Section 503 and VEVRAA AAPs for individuals with disabilities and protected veterans, respectively. These items include an assessment of personnel policies, identification of problem areas, evaluation of effectiveness of outreach for veterans and individuals with disabilities, and a utilization analysis of individuals with disabilities.

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