



Affirmative Action Program Services

Background

Founded in 1988, Gerstco provides expert consulting services to federal contractors who must prepare and maintain equal employment opportunity (EEO) and affirmative action program (AAP) plans. Our mission is to bring strategic, cost-effective program solutions to clients in their efforts to meet the challenge of employing and retaining a dynamic workforce.

We serve a diverse set of industries: Financial, Education, Defense, Medical Services, Drugs and Pharmaceuticals, Computers and Related Devices, Electronic Instrumentation, Foods, Nuclear and Biotechnology, Software Publishing, Communications, Internet, e-commerce, Engineering Services, Environmental Consulting, Waste Management, Home Manufacturing, and e-businesses, as examples.

Clients include large, medium and small federal contractors who have affirmative actions plan structures ranging in size from single to multiple-sites, multi-state Plans. Some clients require Affirmative Action Plans structured by organization, business unit or product line, rather than by geographic location.

Expertise in Affirmative Action Planning

Gerstco employs experienced, seasoned professionals who can bring instant credibility to government compliance situations. Each Gerstco staff member has extensive education and training in Affirmative Action program development and strategic workforce planning.

Working with clients over time, Gerstco can recommend practical solutions and best practices to long-standing workforce issues. Our staff keep up-to-date on all aspects of regulatory requirements and contractor obligations, including understanding when emerging regulatory issues can become contractor requirements.

We strive for excellent service results in all we do. And, while we can state our positive intentions regarding listening to customers, nothing speaks louder than client recommendations.

Please request references.

Innovation

We continuously improve our service to clients through innovation. A few years ago Gerstco addressed the issue of ensuring client security during the data transmittal process by developing a secure website page where clients could upload and download data quickly and safely. Data security on our Extranet is maintained during transmission through 128-bit SSL technology. This data transmittal method is used by most of our clients today.

In another area, clients needed to send Affirmative Action information (all or part of an AAP) to other locations and offices, or timely retrieve AAP data during a compliance evaluation, or archive previous year information. To address these issues, we created an 'electronic' Affirmative Action Plan (eAAP), which replicated our client's hard copy documents. This "eAAP" Affirmative Action Plan, used by 96% of all our clients, can be delivered and stored on a CD, and transmitted over our secure website. The developed

eAAP is considered an industry standard – all using existing technology.

Automation & Technology

Gerstco AAP software products are designed to ensure data accuracy, deal with repetitive tasks, and decrease the time to prepare the technical Affirmative Action Plans. Since 2001, our software has fulfilled these goals, becoming super-accurate, and, at the same time allowing us to increase the number of clients we can serve on a high-quality, high-touch basis.



AAP Software System

Gerstco uses proprietary software for developing Affirmative Action Plans. Two other specialized software applications were also designed to support the AAP development program: (1) CENSBase, software which interacts with AAPBase in developing the '2-Factor Availability' for minorities and women; and (2) COMBase, software, for performing compensation analysis.

All Gerstco software is trademarked and licensed to Gerstco, Inc. Using proprietary software ensures no (hidden) use or royalty fees. Gerstco software methodologies, formats, and reports are proven documents for management information as well as government reporting. We have licensed our AAP software to federal contractors since 2002.

We strive for efficient and professional customer service, reliably designed software products, and expert consulting service results.

Bringing more than twenty years of service to Federal Contractors

Affirmative Action Program Development

Our approach is to design and develop Affirmative Action Plans that meet the specific needs of our clients while maintaining contract compliance. We work in consultation with contractors to ensure that their organization's plans accurately reflect their operational structure and company practices. Our design process involves mutual decision-making, as follows:

- determining organizational reporting structure,
- identifying Corporate employees and employees reporting across geographical AAP sites,
- the formation of AAP job groups and recruitment areas,
- determining the 'availability' of minorities and women,
- selecting appropriate AAP goal methodologies, and
- preparing appropriate compensation analyses.

Specialized Affirmative Action Plans

We can prepare specialized Plans such as Functional Affirmative Action Plans (FAAPs) instead of traditional location-based Plans for clients requesting this service.

We can provide guidance to contractors that need assistance in navigating the Office of Federal Contract Compliance Programs (OFCCPs) FAAP Approval Process.

Our AAP File Format and software tools are fully flexible and function efficiently and accurately in support of FAAP development.

Gerstco personnel are experienced in preparing specialized EEO and AAP reporting to States and Local Government entities, upon request.



AAP Delivery

We deliver Affirmative Action Plans tailored to client requirements. Deliverable Plans are reviewed by Senior Consultants to ensure accuracy and compliance readiness. Clients may elect to receive Plans in soft (electronic) or hard copy formats.

Year-Round Customer Support

We encourage clients to contact us at any time during their AAP year. We make every effort to respond to clients on the same business day, or as soon as practicable.

Compliance AAP

This portion of the AAP includes all required program narratives, policies and procedures for Executive Order 11246, the Rehabilitation Act of 1973, and the Vietnam Era Veteran's Readjustment and Assistance Act of 1974. This document also contains the required AAP reports, data, and analysis and is considered 'compliance ready' when completed, in that a copy of the AAP, as it is constructed, and with the addition of two other documents, could be submitted to the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP).

Supporting Documentation

This portion of the Affirmative Action Plan includes detailed reports on hiring, promotions, terminations, and Internet applicant results. In addition, supporting documentation such as: compensation analysis, internal AAP audit reports, Impact Ratio Analysis results, employee listings, Compliance Flags reporting, and other client requested information will be included.

Electronic AAP Format (eAAP)

Gerstco's 'electronic' version of an AAP can be delivered in PDF format, on a CD, or uploaded to our website and downloaded by our clients. Delivery is secure and instantaneous.

There are many benefits to clients receiving an eAAP copy, including: more secure transmission, distribution to other geographics, minimizing storage requirements, ease of archiving, and electronic submission to OFCCP in a Compliance Evaluation.

Annual AAP Briefing

After completing the Affirmative Action Plan, we will include a customized presentation suitable for Executives, Managers, and Human Resources employees, regarding company performance to AAP goals and objectives.

Discussion topics include:

- Workforce and Industry comparisons
- Performance to AAP Goals
- Specialized Organizational AAP views
- AAP Obligations to Managers

AAP Client Orientation

We are committed to deliver and communicate our client's Affirmative Action Plans via web conferencing or on-site at client offices. Client meetings provide understanding of workforce changes and issues; this can be a dialog where individuals ask questions and share insights and experience in AAP implementation.

Gerstco Senior Consultants prepare delivery meeting agendas that include: (a) a detailed orientation to the AAP plan structure; (b) an assessment of the AAP 'compliance evaluation readiness;' (c) AAP goal performance, and (d) suggested remedies and strategies, as appropriate.

Responsive Affirmative Action Program Development

AAPBase™

AAPBase is comprehensive AAP development software, combining all requirements and features into a single application. With this 'suite' of software tools, the system maintains historical data, and generates single, location-based, multi-site, multi-reporting AAPs, and Functional AAPs. The software is designed with over 250 standard reports. The following features are part of our AAPBase:

- **Compliance Reporting** – this feature efficiently produces all required reports and analyses for government-compliant affirmative action programs, including accurate Workforce and Job Group Analysis, 2-Factor Availability Analysis, Incumbency to Availability Analysis, and the establishment of AAP goals, if needed.

A special set of 'Compliance Flags' reports reside within and can be quickly produced to alert clients to problem areas in an Internal Audit and when preparing for a Compliance Evaluation by the OFCCP.

- **Non-discrimination Testing** – this feature analyzes hiring, promotion, and termination selections and results using standard Impact Ratio Analysis tests and Statistical Significance and other mathematical formulae. The software identifies areas of impact for minorities, each minority group, women, and individuals age 40 and over, in similarly situated positions.
- **Applicants for Employment** – Applicant monitoring and analysis has been designed into AAPBase to track and analyze recruitment efforts and hiring practices by data on those who apply for employment with federal contractors.
- **Pay Analysis** – AAPBase report feature quickly analyzes salary information for compliance reporting and initial non-discrimination testing. Analysis and reports include: Cohort Analysis, Mean and Median analysis, OFCCP 'Tipping Point' analysis, Pay Discrepancy analysis, and response to Paragraph 11, in OFCCP's Scheduling Letter.
- **Management Presentations** – AAPBase produces customized PowerPoint presentations for AAP rollout and communication to Management and Human Resources. Reporting includes Performance-to-Plan goals, demographic changes, Impact Ratio Analysis results, historical views, and other workforce organizational comparisons.



- **Internal Auditing** – AAPBase is a useful software tool providing detailed, in-depth reporting, at all organizational levels for Diversity administration, discrimination testing, internal investigation of company practices, and other AAP performance results not usually made available.

CENSBase™

CENSBase 2000 Labor Force Analysis software developed by Gerstco is integrated into AAPBase for purposes of developing 'availability estimates' for minorities and women for the AAP. Information in the software is from Census 2000 data files. Census files are updated every ten years by the government in a Survey of US Households. A Special EEO File is created at that time and made available to contractors who must develop and maintain Affirmative Action Plans.

CENSBase may be licensed as a separate software tool. CENSBase combines geographic cuts of information with other workforce information to provide special 'views' for workforce planning. This software has been available since 2004, when the Special EEO File was released.

Gerstco licenses CENSBase to government contractors and other firms interested in external labor force statistics.

COMPBase™

COMPBase is Gerstco's comprehensive compensation analysis system. A Windows-based software application, COMPBase was developed in 2004 and has been in regular use on production compensation analysis work since then. The software uses a single-form interface for quick access to all of its features including: database creation, data importing, data

searching, data editing, defining employee groups (similarly situated employee groups), and running analyses. Imported workforce data can contain up to 254 fields. Any field that might be used to establish employee groups can be imported.

"Employee Groups" in COMPBase are defined using a full-featured expression builder to identify conditions under which employees should be considered "similarly situated." The same expression builder is used to define "comparison groups." Using these features analyses can be run comparing specific types of employees to one another.

Gerstco licenses comprehensive AAP Software

Compliance Evaluation Support Services

Compliance Evaluations by the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) can be time consuming and intense for those responsible for affirmative action programs. Because up-to-date knowledge and expertise of the Compliance Evaluation process is needed, our staff meets regularly with government officials to remain current on enforcement practices. Gerstco personnel work with the OFCCP at all governmental levels and have established excellent working relationships.

Compliance Flag's Reporting

As a standard, we assist clients with their AAP assessment in advance of a Compliance Evaluation, providing 'compliance flags' reports when the AAP is developed and updated each year. These 'flags' will identify AAP problem areas for the current reporting period. The information focuses the EEO Professional and Legal Counsel in areas where further investigation may be necessary. 'Compliance Flags' are just one of the many ways Gerstco keeps clients up-to-date on their state of 'compliance readiness'.

OFCCP conducts a variety of compliance evaluations and Gerstco provides a unique set of services to support clients during each type of audit.

Desk Audit

When a 'Notice of Review' is received, Gerstco accelerates the development process for any submittal items that have been requested including the Affirmative Action Plan, Compensation Analysis and Mid-Year Updates, if required. Special Compliance Management Briefings may be scheduled with Human Resource personnel and managers, to understand the compliance process, and provide in-depth analysis of the organization's AAP performance to ensure managers are prepared for their audit.

Compensation Analysis

OFCCP's Desk Audit Scheduling Letter now includes a request for compensation information. Paragraph 11, of the Itemized Listing, requests that compensation data be submitted in a summary format. Contractors have a choice as to how this data is submitted.

Prior to submitting any compensation data, we will determine the type of data to submit by conducting more than one type of analysis. This includes performing a Means or Media analysis, a Cohort Analysis, a 'Trigger Point' Analysis or any other statistical analysis, especially when pay differences for minorities and/or women may need further investigation.

For more information, please request Gerstco's 'Compensation Analysis Services' Brochure.

Onsite Review

In some cases, the OFCCP will notify Federal Contractors that they intend to conduct an On-site review following the Desk Audit.

Our client's state of readiness for an On-site review can be determined by a Gerstco Senior Consultant using a Pre-Audit Checklist. The pre-audit can be conducted remotely or on-site. After the pre-audit is concluded, Gerstco will brief site management on audit findings, AAP performance and the compliance review process.

Gerstco can also provide a senior consultant to be on-site for consulting during the review process. They can also help to prepare the response to the OFCCP's request for information during the on-site review by pre-examining recordkeeping processes for applicants, I-9 forms, personnel files, etc. before they are examined by the OFCCP Compliance Officer.

On-Site Pre-Audit

If there is sufficient notification prior to an On-Site review to assess the "state of readiness" for a client, a pre-audit will be conducted by Gerstco using our Pre-Audit process. As part of this effort, a pre-audit committee will be established and the team of company individuals participating would be identified.

Corporate Management Review

In preparing for a Corporate Management Review (CMR), we find it useful to begin with a Senior Executive Briefing that will include the company Audit Team. This Briefing will evaluate in detail, areas that may be audited by the government. The Briefing will be customized to provide an understanding of issues that the Company will need to address, including: the type of material and information needed, a list of company officials that OFCCP will want to interview, and the questions that may be asked, and the type of analysis OFCCP most likely will conduct.

The briefing helps executives and managers to become understand issues often are perceived as "artificial barriers" to equal employment opportunity.

CMR On-Site Support

Following the CMR Briefing, we will work closely with executives and the Audit Team to prepare for the actual audit, including: the Opening Conference, management interviews, and analyzing specialized views of data requested by the Agency.

Focused Reviews

Sometimes, OFCCP may request a specialized Audit such as a Job Site review, Department review, Position review, or Site review. As requested, Gerstco provides support for specialized reviews.

Gerstco AAP reports, formats, and methodologies have been acceptable in all government audits

Education & Training Services

Our Commitment to Learning

At Gerstco we value continuing education and believe individuals are more effective, interested, and successful, when they can understand Equal Opportunity principles and contractor Affirmative Action obligations.

We provide EEO and AAP training for Managers, Human Resources Professionals, and others, who have Affirmative Action Program responsibilities. Classes are offered to public and private audiences at our Headquarters Offices in Cupertino, California, and, when requested, at company facilities.

Our workshops, seminars, forums, and in-house meetings, cover the breadth of Affirmative Action topics to meet the basic and continuing education needs of Human Resources Professionals.

Continuing Education Courses at Gerstco

The following are examples of individual modules, many of which can be combined to address specific educational needs:

- Legal Framework for Affirmative Action Programs
- Required AAP Narratives
- Examining the Statistical Elements of an AAP
- Recordkeeping Requirements for the AAP
- Developing Internet Applicant Recordkeeping Procedures
- OFCCP and Affirmative Action Programs Today
- OFCCP's Top Ten Issues in AAP Compliance
- Constructing An Affirmative Action Planning Calendar
- Auditing your Affirmative Action Plan
- Compensation Analysis Preparation & Deployment
- Understanding the Compliance Evaluation Process
- Federal Contractor Manager Training Requirements
- Constructing Your Own Affirmative Action Program
- Practical Approaches to Strategic Implementation of Your Company's Affirmative Action Program

2-Day AAP Workshop: "Practical Approaches to Strategic Implementation of Your Company's Affirmative Action Program"

Our "Practical Approaches to Strategic Implementation of Your Company's Affirmative Action Program" is a two-day hands-on workshop designed to provide attendees with experience in implementing technically-compliant Affirmative Action Programs. This workshop also addresses the basic AA requirements needed to develop federal contractor Affirmative Action Programs.

Workshop materials are based on the concepts of Equal Employment Opportunity and Affirmative Action. These principles are consistent with good management philosophies and practices. Equal Employment Opportunity and Affirmative Action should be supported by Company policies and practices. This Workshop addresses company policies necessary for compliance.

Workshop Agenda - Day One

The workshop begins with an understanding of the legal framework, regulatory requirements, and concepts of Federal Affirmative Action Programs today, i.e. Executive Order 11246 (Affirmative Action for Females and Minorities), the Rehabilitation Act of 1973 (for Individuals with Disabilities), and the Vietnam Era Veterans Act of 1974, as amended. Attendees are guided through a review of their current Company Affirmative Action Plan to understand each component of the plan, including all narratives and statistical elements.

The next section briefs attendees on OFCCP Compliance Strategy and the current focus areas of Compliance Evaluations including, systemic pay issues and selection. Attendees will review and analyze their own Company Affirmative Action Plan to determine compliance readiness and areas of concern.

Workshop Agenda - Day Two

Building on the first day's foundation, the second day is devoted to developing expertise needed to articulate a business focus and rationale for effective Affirmative Action Program performance. Elements of action plan development, to implement the AAP, address current OFCCP compliance evaluation procedures, and how to manage an OFCCP audit, are discussed. Proven approaches for implementing federal contractor Affirmative Action Programs and suggestions for building business partnerships that support a strong EEO policy and effective Affirmative Action Program efforts are also discussed and attendees are encouraged to share Company best practices and draw from the experiences of others.

Attendees are encouraged to ask questions and share specific examples from their own experiences. All sessions are considered confidential.

AAP Consultation Services

Gerstco is committed to deliver and communicate the client's Affirmative Action Plans either in person or via audio and video transmission. A detailed orientation to the AAP is done including the plan structure, an assessment of AAP compliance readiness, including areas of concern and suggested strategies for remedy. A comparative analysis of the AAP's goals, efforts, results, and the company's diversity efforts are provided and discussed as to how they could assist the Affirmative Action Program.

During the year, as questions arise about the Affirmative Action Plan, or processes that support it, a web conference can be an effective and efficient way to review client documents or preview Gerstco's EEO AAP resources.

Continuing education is a core value at Gerstco

EEO & Affirmative Action Programs Training

Demographic Workforce Trends

Trend analysts agree that in the coming years, organizations with a competitive difference will be those that make the best use of all their human resources, and, will often achieve the highest profit as a result. However, many of today's managers have not been prepared to deal with dramatic changes in their workforces in terms of different generations, cultures, and employee backgrounds. Traditional management methods have often assumed a homogeneous workforce, while today's workers include more women, minorities, and individuals with disabilities.

Management Training

Gerstco provides customized, practical, and focused Briefings for management employees in the area of EEO and Affirmative Action Program obligations. Briefings often begin with an overview of equal employment opportunity, so that individuals have a legal framework for Briefing information.

Managers also learn about federal affirmative action concepts that may apply to their management responsibility areas, such as: interviewing and selecting employees, career counseling, outreach, and the achievement of AAP goals.

Management Briefings are also a convenient forum to communicate company policies, practices, and recordkeeping requirements, to build support for the company program.

Gerstco's desired objective is to acquaint managers with specific information on their roles in leading and motivating a diverse work force. In addition, with increased awareness, understanding, and orientation to how decisions may have been made in the past, managers with new information will be prepared to communicate, train, and support all their employees, as their organization competes in a global and dynamic business environment.

Customized Briefings

Gerstco offers customized, in-house briefings and management training on EEO matters, Harassment prevention, AAP implementation and compliance, and Interview and Selection Practices, as examples. These in-house sessions are generally company-specific and can be confidential.

Briefing Issues

- The primary objective of management AAP training has been to increase the representation of women and minorities in an organization. The overall representation of women and minorities has increased over the years, and more work may be needed in certain job categories and at certain levels of the organization.
- The objective of training may be to attract and retain the best talent regardless of gender, race, age, or disability or veteran status. To meet

this objective, managers must be able to effectively manage a diverse workforce, which can lead to a full utilization of human resources at all levels.

- An organization's Affirmative Action Program may have always been supported by company Objectives, and legal compliance. And, while such efforts will continue, manager's motivation to recruit and develop the best talent from diverse backgrounds is beginning to extend beyond legal compliance, which has been an integral part of the organization's philosophy. As organizations grow in world markets, the broad spectrum of knowledge, skills, and perspectives of people with diverse backgrounds in terms of cultures, and generations, must be more responsive to meet the diversity in customer backgrounds.
- A Company's hiring and selection of employees in the past may have been more in the areas of recruiting and hiring women and minorities into entry-level, and non-core business areas. With fewer job openings and with minorities and women already in place, however, employee

development and upper mobility are important next steps to retain all employees who are doing well in the organization. Managers may need to expand their knowledge and skills and become more flexible in their management approach to ensure the success of the diverse people in their workgroup.

- Workforce diversity can have both advantages and disadvantages, and potentially can be an asset or not to an organization's effectiveness. In a team situation, for example, the advantages of a diverse team can lead to enhanced team performance, increase the productivity and creativity of the group. Similarly,

any disadvantages may lead to team ineffectiveness, making the diverse teams less productive and efficient than expected.

Briefing Agenda

The following would be a typical agenda for management Briefings:

- An exercise to increase awareness (optional)
- A model for viewing AA/EEO issues in the organization
- The legal framework of affirmative action programs
- A high-level view of the AAP Planning process
- A discussion of employee and management roles and responsibilities

Recruiter Training

Current OFCCP regulations on "Internet Applicants" require federal contractors to gather and maintain accurate applicant information on all positions filled during an AAP year, whether a paper system or Internet or other electronic technology is used.

To assist contractors with compliance in this area, Gerstco has developed a recruitment training session, for Recruiters, to review these obligations on applicant tracking and monitoring, and understand how the AAP requirements may specifically apply to their practices. This has been an effective forum for Recruiters and managers to discuss any open issues or processes and to propose refinements to the organization's applicant tracking process.



Customized, in-house briefings and management training

Communication Resources

Building effective relationships with our customers takes good communication. Even though we aren't right down the hall, at Gerstco, our doors are always open to you. That's why our logo features an open door. Please take advantage of the resources, opportunities, and information we provide that will satisfy your basic EEO AAP requirements, and give you food for thought!

Gerstco.com Website

Gerstco's website is a great example of our open door policy. We hope you and others in your organization will find our website an effective way to build Company knowledge regarding EEO and Affirmative Action Planning as well as a fast and efficient vehicle for answering questions.

AAP Training

EEO and Affirmative Action Training and Education are part of our core values. We provide EEO/AAP training to Human Resources professionals who have the responsibility to develop and implement their organization's affirmative action plans and strategies. Our events and training takes many forms including public workshops, general forums, breakfast meetings, and webinars. General Forum agendas are topical in nature, dealing with current compliance issues, enforcement strategies, regulatory focus and government practices for Federal Contractor compliance. Meetings are public and our regular attendance includes individuals from the local geography of our client companies, and other contractor firms.

Gerstco Seminars have held value over the years for those experienced in the EEO/AAP field who desire to remain current on AAP matters. Those new to the EEO/AAP field find our Seminars and Workshops great training for understanding of AAP basic concepts, legal principles, and best practices needed to develop and implement Affirmative Action Programs.

All Gerstco events and training are posted on our website. This includes detailed program information and online registration.

AAP Best Practices and Program Solutions

Every Company's Affirmative Action Program needs are differ-

ent. Our company website can provide a road map to get you started on implementing your Affirmative Action Plan. The road map provides a 'big picture' view of the AAP and Regulations that apply, and information about how the Department of Labor's Office of Federal Contractor Compliance (OFCCP) enforces it. The road map can also provide a very detailed look at the contents of the AAP, and how it is created.

EEO AAP News and Resources

Gerstco.com provides a variety of Newsletters, Alerts, and Memos supporting EEO professionals, including current and archived copies of Gerstco's AAPNews, newsletters with recent rulings, and resources such as forms, posters, guidelines, and a glossary of terms and web links to the DOL, OFCCP and EEOC.

Client Document Exchange

During the AAP development process, clients must transmit workforce and activity data files to Gerstco. Using email, with file Attachments, is quick and convenient, However it does not provide adequate data Security. We recommend using the Gerstco Extranet. This process maintains data security during transmission through 128-bit SSL technology. Using our Extranet allows clients to securely receive their AAP reports and completed AAPs.

AAPNews Quarterly Newsletter

Gerstco publishes a quarterly newsletter, AAPNews, which covers a wide variety of information on policies and practices related to the OFCCP and EEOC. Our Newsletter also offers analyses of regulatory requirements, and best practices resources for developing and supporting Affirmative Action Programs. At publication, the Newsletter is posted to our website, Gerstco.com. Clients and mailing-list subscribers are emailed a notification with a list of topics and a web link for

downloading in pdf format.

Alert Bulletins

Gerstco sends clients and mailing list subscribers free Alert Bulletins via email regarding filing deadlines and changes in Agency policies.

