



Affirmative Action Plans for Government Subcontractors

Government Regulations say that a government contractor **or subcontractor** with a contract of \$50,000 or more (or bills of lading totaling that amount) and 50 or more employees must complete an Affirmative Action Plan. It's pretty clear whether or not a company is a direct government contractor, however, many members call us and want to know how they find out if they are a subcontractor—that is, whether they have contracts with another company that's a government contractor.

Under the regulations, government contractors must have a clause in their contracts telling subcontractors that they are government contractors and that the subcontractor may be required to prepare an affirmative action plan. As with many governmental mandates, however, the wording that's often used is not that clear. If you are doing work for a government contractor, the contract may have a clause similar to the one below:

During the performance of this contract (or purchase order), the contractor/vendor agrees to comply with all Federal, state and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, requirements set out at 41 CFR 60 - 1.4, 60 - 250.4 and 60 - 741.4,

which equal opportunity clauses are hereby incorporated by reference.

While the wording may not be exact, the defining information is **requirements set out at 41 CFR 60 - 1.4, 60 - 250.4 and 60 - 741.4**. These numbers refer to the regulations covering the requirements for an affirmative action plan for females and minorities (60 - 1.4), Veterans (250.4), and workers with disabilities (741.4). If you have something in your contract that references these numbers or says the company is a federal contractor, they are putting you on notice that you, too, may have to do an Affirmative Action Plan.

Some companies will also go beyond the minimum requirement and send letters to their suppliers letting them know of their government contractor status.

To determine whether you are a government subcontractor who is required to do an Affirmative Action Plan, it is recommended that you check your contracts and purchase orders and contractor communications to see whether they contain the references outlined above.



If you have any questions about Affirmative Action Planning, please contact:

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