

# FTA

F E D E R A L T R A N S I T A D M I N I S T R A T I O N

## **Pace Suburban Bus** EEO Compliance Review

Final Report  
April 2016



U.S. Department of Transportation  
**Federal Transit Administration**

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**Attachments**

- A FTA Notification Letter to Pace Suburban Bus Division (Pace)

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## Executive Summary

### Objective and Methodology

This report details the findings of a Compliance Review of Pace Suburban Bus Division's (Pace) Equal Employment Opportunity (EEO) program implementation. The Compliance Review examined Pace's Equal Employment Opportunity Program (EEOP) procedures, management structure, actions, and documentation. Documents and information were collected from the Federal Transit Administration (FTA) and Pace. The three-day review included interviews, assessments of data collection systems, and review of program and contract documents.

The following are some of the positive elements in Pace's EEOP:

#### Positive Program Elements

- Pace provides its EEO Policy to all new hires.
- The policy statement is displayed in highly visible locations.

The following are some of the deficiencies in Pace's EEOP:

#### Program Deficiencies

- The EEO Policy Statement does not contain all of the phrases required in the EEO Circular.
- Pace does not disseminate its EEO Policy Statement externally to regular recruitment sources.
- Pace's utilization analysis does not include all of the seven required categories for its availability percentages.
- Pace's analysis did not include percentage goals and timetables that directly relate to the utilization analysis in lines of progression. Pace did not provide a justification for not meeting prior goals.
- Pace's analysis of employment practices in its EEOP does not compare the number of individuals by race and sex applying for employment with those actually hired. In addition, there is no narrative description and analysis of disciplinary procedures.
- Pace does not collect copies of contractor EEO Plans or otherwise ensure that contractor(s) comply with FTA Circular 4704.1.

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# 1 General Information

This section provides basic information concerning this Compliance Review of Pace Suburban Bus Division of the Regional Transportation Authority. Information on the grantee, the review team, and the dates of the review are presented below.

Grant Recipient:	Pace Suburban Bus Division
City/State:	Arlington Heights, Illinois
Grantee Number:	5118
Executive Official:	T. J. Ross
On-site Liaison:	Colette Thomas Gordon
Report Prepared By:	The Collaborative, Inc., Boston, MA
Dates of Site Visit:	November 2–6, 2015
Review Team Members:	Z. Wayne Johnson, Lamont Pray, Bill Schwartz

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## 2 Jurisdiction and Authorities

The Federal Transit Administration (FTA) Office of Civil Rights is authorized by the Secretary of Transportation to conduct civil rights Compliance Reviews. EEO reviews are undertaken to ensure compliance of applicants, recipients, and subrecipients with 49 U.S.C. Section 5332, “Non-Discrimination” and the program guidelines of FTA Circular 4704.1, “Equal Employment Opportunity Guidelines for Grant Recipients.” Further, FTA recipients are required to comply with 49 CFR Part 27, “Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.”

Pace is a recipient of FTA funding assistance and is therefore subject to the EEO compliance conditions associated with the use of these funds pursuant to 49 U.S.C. Section 5332, FTA Circular 4704.1 and 49 CFR Part 27. These regulations define the components that must be addressed and incorporated in Pace’s EEOP and were the basis for this Compliance Review.

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## 3 Purpose and Objectives

### 3.1 Purpose

The FTA Office of Civil Rights periodically conducts EEO Compliance Reviews of grant recipients and subrecipients to determine whether they are honoring their commitment to comply with their responsibilities under 49 U.S.C. Section 5332, FTA Circular 4704.1, and 49 CFR Part 27, as represented by certification to FTA. In keeping with its regulations and guidelines, FTA determined that a Compliance Review of Pace's EEOP was necessary.

The Office of Civil Rights authorized the Collaborative, Inc. to conduct this EEO Compliance Review of Pace. The primary purpose of the review was to determine the extent to which Pace has met its EEOP goals and objectives in its EEO Program Plan, as represented to FTA. This Compliance Review was intended to be a fact-finding process to (1) examine Pace's EEO Program Plan and its implementation, (2) provide technical assistance, and (3) make recommendations regarding corrective actions deemed necessary and appropriate.

This Compliance Review did not directly investigate any individual complaints of discrimination in employment activities by the grant recipient or its sub-recipients, nor did it adjudicate these issues on behalf of any party.

### 3.2 Objectives

The objectives of FTA's EEO requirements, as specified in FTA Circular 4704.1, are:

- To ensure that FTA applicants, recipients, subrecipients, contractors and/or subcontractors will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, age, or disability.
- To ensure that FTA applicants, recipients, subrecipients, contractors and/or subcontractors will take affirmative action to ensure that applicants and employees are treated without regard to race, color, religion, national origin, sex, age, or disability. Such action shall include, but not be limited to, hiring, promotion or upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, disciplinary actions, rates of pay or other forms of compensation, and selection for training, including apprenticeship. It shall also include a written Affirmative Action Plan designed to achieve full utilization of minorities and women in all parts of the work force; and
- To ensure that FTA applicants, recipients, subrecipients, contractors, and/or subcontractors will post in conspicuous places and make available to employees and applicants for employment, notices setting forth the recipient's EEO policy. In addition, applicants/employees will be notified of the recipient's procedures for filing complaints of discrimination internally, as well as externally with the Federal Equal Employment Opportunity Commission, the local human rights commission, and/or the U.S. Department of Transportation (DOT).

The objectives of this EEO Compliance Review were:

- To determine whether Pace is honoring its commitment represented by the certification to FTA that it is complying with its responsibilities under 49 U.S.C. Section 5332, "Non-Discrimination."

- To examine the required components of Pace EEO Program Plan against the compliance standards set forth in the regulations and to document the compliance status of each component.
- To gather information and data regarding all aspects of Pace's employment practices, including recruitment, hiring, training, promotion, compensation, retention, and discipline from a variety of sources, including Human Resources department staff and other Pace management and staff.

## 4 Background Information

Pace of Arlington Heights, Illinois, is the 27th largest transit agency in the U.S. It provides public transit services in the suburban Chicago metropolitan area, which includes six counties (Cook, Lake, Will, Kane, McHenry, and DuPage). Pace provides fixed route bus service within the six counties (except for the City of Chicago), and provides complementary paratransit service for the entire six-county region. Approximately 8.3 million people live in the Pace service area, which covers approximately 3,450 square miles.

### 4.1 Pace Services and Organizational Structure

Pace directly operates its 209 fixed route bus system on weekdays from early morning (5:20 a.m.) to late night (12:44 a.m.), and operates fewer routes and service hours on weekends. Route 352 (Halsted) operates daily 24 hours per day. In Fiscal Year (FY) 2015, total bus ridership was 25.3 million. Pace uses contractors to provide complementary paratransit service for the entire RTA region, including Chicago. At the time of the site visit, contractors were First Transit, MV Transportation, First Student, Ride Right, and Cook DuPage Transportation Company. FY 2015 complementary paratransit ridership was 3.6 million.

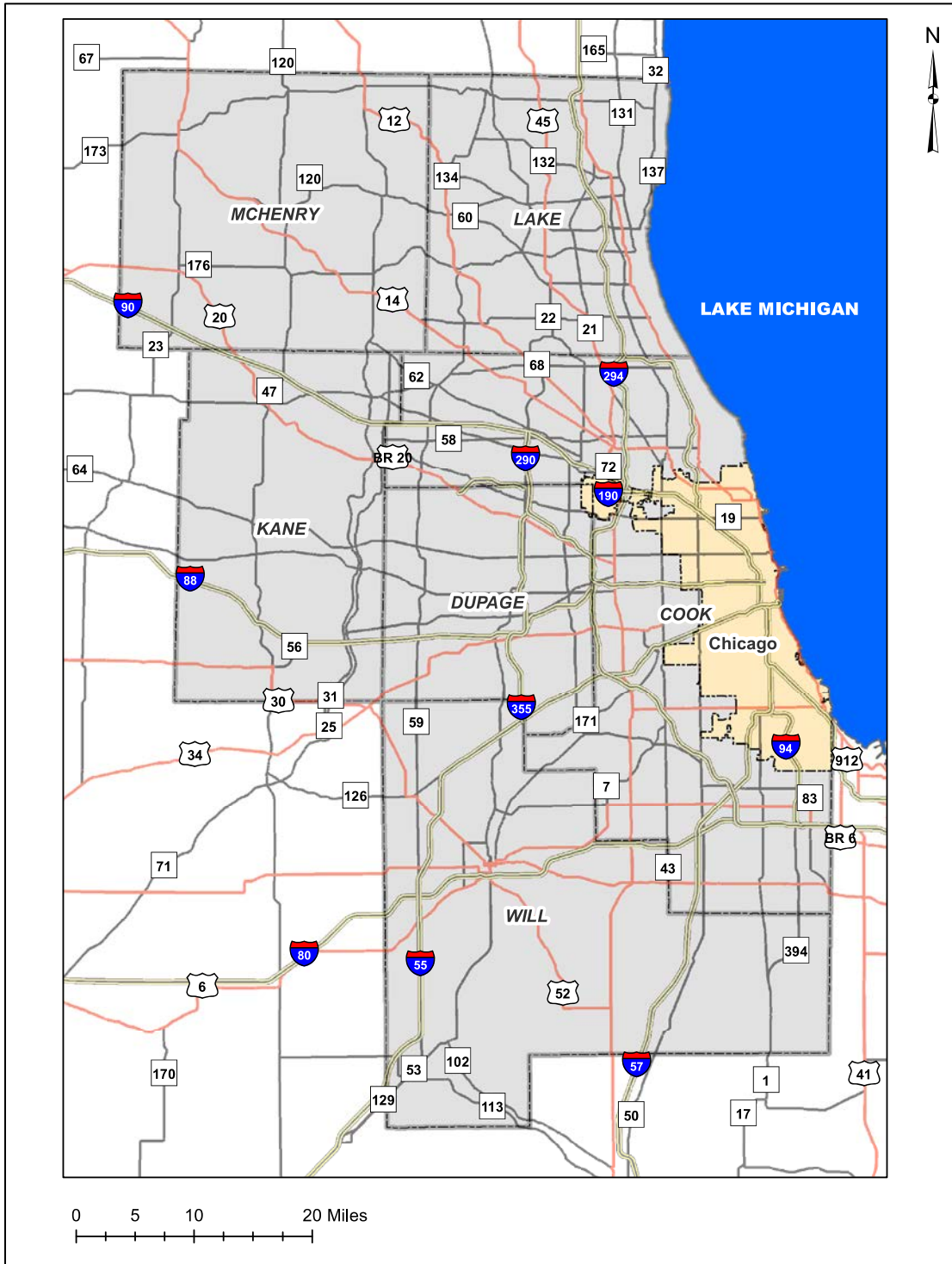
Pace also operates the 760-vehicle regional vanpool program serving 1.5 million riders in FY 2015.

The Illinois General Assembly created Pace in 1983 (under the RTA Act) to unify numerous disparate suburban bus agencies in northern Illinois. It began operations in 1984 as the Suburban Bus Division of the Regional Transportation Authority (RTA) and was renamed as Pace in 1985. A 13-member Board of Directors governs Pace, comprised of current and former suburban mayors and the Commissioner of the Mayor's Office for People with Disabilities for the City of Chicago.

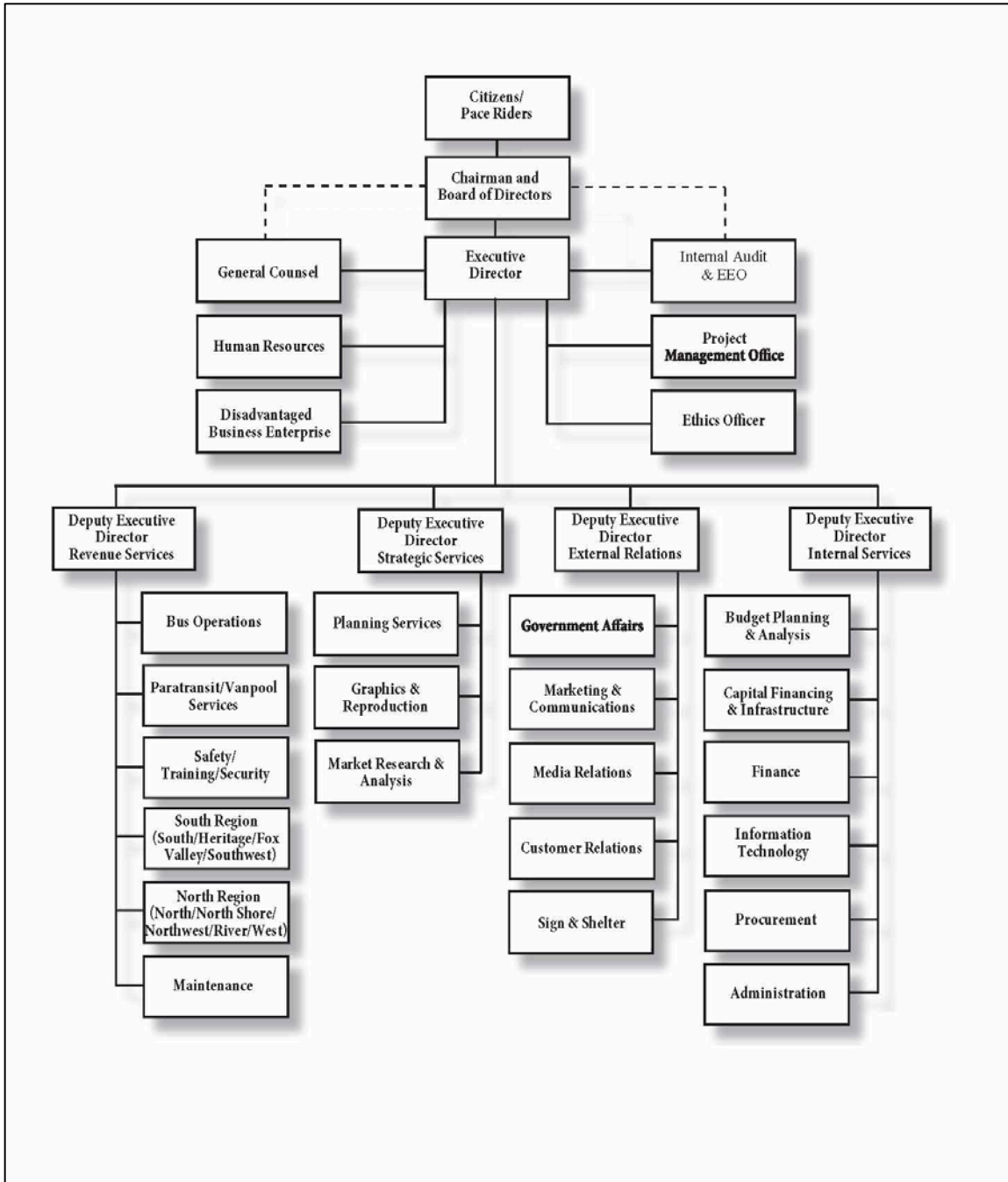
In addition to its headquarters, Pace has 11 operating divisions and serves 8.3 million people in its six-county 3,446 square-mile service area. See service area and organization chart figures on the following pages. Operating divisions include:

- Bus Divisions (9) – North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage
- Regional complementary paratransit (ADA)
- Vanpool

Pace has 1,687 bus employees (1,245 union, 442 non-union).



Pace Service Area



Pace Organization

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## 5 Scope and Methodology

### 5.1 Scope

The following EEOP components required by FTA are reviewed in this report:

- Program Submission – A formal EEOP is required of any recipient that employs 50 or more transit-related employees (including temporary, full-time or part-time employees either directly employed and/or through contractors) and that received in excess of \$1 million in capital or operating assistance or in excess of \$250,000 in planning assistance in the previous federal fiscal year. Program updates are required every three years.
- Statement of Policy – An EEOP must include a statement issued by the CEO regarding EEO policy affecting all employment practices, including recruitment, selection, promotions, terminations, transfers, layoffs, compensation, training, benefits, and other terms and conditions of employment.
- Dissemination – Formal communication mechanisms should be established to publicize and disseminate the recipient's EEO policy, as well as appropriate elements of the program, to its employees, applicants, and the general public.
- Designation of Personnel Responsibility – The importance of an EEOP is indicated by the individual the agency has named to manage the program and the authority this individual possesses. An executive should be appointed as Manager/Director of EEO who reports and is directly responsible to the agency's CEO.
- Utilization Analysis – The purpose of the utilization analysis is to identify those job categories where there is an underutilization and/or concentration of minorities and women in relation to their availability in the relevant labor market.
- Goals and Timetables – Specific and detailed percentage and numerical goals with timetables must be set to correct any underutilization of specific affected classes of persons identified in the utilization analysis.
- Assessment of Employment Practices – Recipients, subrecipients, contractors, and subcontractors must conduct a detailed assessment of present employment practices to identify those practices that operate as employment barriers and unjustifiably contribute to underutilization.
- Monitoring and Reporting System – An internal monitoring and reporting system should enable the agency to assess EEO accomplishments, evaluate the EEOP during the year, identify those units that have failed to achieve a goal, and provide a precise and factual database for future projections.

### 5.2 Methodology

The initial step of this EEO Compliance Review consisted of consultation with the FTA Region V Acting Civil Rights Officer and Civil Rights Headquarters staff regarding the decision to conduct a Compliance Review of Pace. Relevant documents from FTA's files were reviewed as background. Next, an agenda letter was prepared and sent to Pace by FTA's Office of Civil Rights. The agenda letter notified Pace of the planned Compliance Review, requested preliminary documents (See Attachment A), and informed Pace of additional documents needed and areas that would be covered during the on-site portion of the review. It also informed Pace of the staff and other organizations and individuals that would be interviewed. The review team also consulted FTA's TEAM system, conducted Internet research, and reviewed Pace's website.

Pace's site visit occurred November 2-6, 2015. The entrance conference was conducted at the beginning of the Compliance Review with Pace's senior management staff, FTA's Acting Regional Civil Rights Officer, FTA Headquarters' Civil Rights EEO Program Coordinator, and the contractor review team. During the entrance conference, the review team explained the goals of the review and the needed cooperation of staff members and discussed the detailed schedule for conducting the on-site visit. A complete list of attendees at the EEO Compliance Review is included in Section 0.

Following the entrance conference, the review team conducted a detailed examination of documents submitted by Pace's EEO Officer on behalf of the agency. The review team also held discussions with the EEO Officer regarding the implementation of the EEO Policy/Program.

On the second day, the review team conducted a group interview with members of Pace's Human Resources staff to learn about Pace employment practices, including recruitment, testing, hiring, promotions, transfers, disciplines, and terminations. Files and records of employment actions, such as new hires, promotions, disciplines, demotions, and terminations, were reviewed.

Throughout the three-day site visit, interviews were also conducted with selected employees and managers in Pace.

At the end of the site visit, an exit conference was held with Pace's senior management staff, FTA's EEOP Coordinator, and the contractor review team. At the exit conference, initial findings and corrective actions were discussed with Pace. A complete list of attendees at the EEO Compliance Review is included in Section 0.

FTA provided Pace with a draft copy of the report for review and response. A copy of Pace's correspondence regarding the draft report is included in Attachment B.

### **5.3 Employee Interviews**

In addition to visiting Pace's headquarters, the review team visited three Pace facilities (North, Northwest, and North Shore) and interviewed nine randomly chosen employees (hourly and salaried) at three locations, including women and minorities with tenures of 4 months to 25 years in a range of job categories. Employees were asked questions regarding their overall impression of Pace as an employer, and their knowledge of Pace's EEO Policy, the EEO Officer's role, the handling of EEO concerns or complaints, EEO training, meetings with management, and upward mobility.

All nine employees described Pace as a diverse organization that provides equal opportunities for promotions.

None of Pace's supervisory employees reported participating in regular meetings to discuss the EEOP and its implementation. None of the non-supervisory employees recalled meetings seeking their suggestions for implementing and refining the EEOP. While new employees receive a copy of the EEO Policy Statement, those interviewed did not recall EEO-specific presentations as part of employee training. Likewise, none of the nine interviewees recalled seeing notices promoting meetings or attending any meetings with Pace's EEO Officer, Training Department, or Executive Director to discuss concerns or provide input into Pace's EEOP.

All of the employees interviewed felt Pace addresses complaints fairly. Two union employees (supervisory and non-supervisory) exercised their rights to file complaints by contacting their union representative or the Human Resources (HR) Department. Both employees were aware of their right to file EEO complaints externally.

With respect to training needs, supervisory and non-supervisory personnel expressed a need for more training to address sexual harassment. Some suggested the training include case examples drawn from Pace's own complaint history. Others suggested including these topics in their regular safety meetings, which would provide an opportunity to meet with and interact with Pace's EEO Officer.

At the time of the site visit, Pace was implementing an online EEO/sexual harassment training program, which its senior managers had just completed.

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## 6 Findings and Advisory Comments

This section details the findings for each area pertinent to FTA Circular 4704.1, “Equal Employment Opportunity Guidelines for Grant Recipients,” and 49 CFR Part 27, “Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.”

For each area of compliance, an overview of the relevant requirements and a discussion of how they apply to Pace’s EEOP are provided. Corrective actions and a timetable to correct deficiencies for each of the requirements and sub-requirements are also presented.

Findings are expressed in terms of “deficiency” or “no deficiency.” Findings of deficiency denote policies or practices that are contrary to FTA Circular 4704.1 or matters for which FTA requires additional reporting to determine whether EEO compliance issues exist.

Findings of deficiency always require corrective action and/or additional reporting, and will always be expressed as:

- A statement concerning the policy or practice in question at the time of the review.
- A statement concerning the EEO requirements being violated or potentially being violated.
- A statement concerning the required corrective action to resolve the issue.

Advisory comments are statements detailing recommended changes to existing policies or practices. The recommendations are designed to ensure effective EEO programmatic practices or otherwise assist the entity in achieving or maintaining compliance.

### 6.1 Program Submission

**Requirement:** A formal EEOP is required of any recipient that employs 50 or more transit-related employees (including temporary, full-time or part-time employees either directly employed and/or through contractors) and that received in excess of \$1 million in capital or operating assistance or in excess of \$250,000 in planning assistance in the previous federal fiscal year. Program updates are required every three years.

**Discussion:** During this Compliance Review, no deficiencies were found with Pace’s EEOP submission.

Prior to the site visit, Pace provided the review team with its most recent EEOP submission, (Pace Suburban Bus Equal Employment Opportunity Program 2013–2016) as well as copies of its quarterly reports covering May 2013–July 2015. Pace regularly uploads its quarterly reports via FTA’s Transportation Electronic Award Management (TEAM) system.

### 6.2 EEO Policy Statement

**Requirement:** An EEOP must include a statement issued by the CEO regarding EEO policy affecting all employment practices, including recruitment, selection, promotions, terminations, transfers, layoffs, compensation, training, benefits, and other terms and conditions of employment.

**Discussion:** During this Compliance Review, a deficiency was found with this requirement. An advisory comment is made regarding Pace’s performance evaluation forms for supervisors/managers.

The EEO Circular (Chapter III, 2a) states:

Statement of Policy. An EEOP must include a statement issued by the chief executive officer regarding EEO policy affecting all employment practices, including recruitment, selection, promotions, terminations, transfers, layoffs, compensation, training, benefits, and other terms and conditions of employment. The EEO policy statement must be placed in conspicuous locations so that employees, applicants, and the general public are cognizant of the agency's EEO commitment. The written EEO policy statement must include:

1. The recipient/subrecipient/contractor's commitment to EEO for all people regardless of race, color, creed, national origin, sex, or age. At its discretion the agency may include handicap;
2. A commitment to undertake an affirmative action program, including goals and timetables, in order to overcome the effects of past discrimination on minorities and women;
3. That the responsibility for the implementation of the EEO program is assigned to an agency executive (e.g., Manager/Director of EEO);
4. That all management personnel share in this responsibility and will be assigned specific tasks to assure that compliance is achieved;
5. That applicants and employees have the right to file complaints alleging discrimination with the appropriate official;
6. That performance by managers, supervisors, etc. will be evaluated on the success of the EEO program the same way as their performance on other agency's goals; and
7. That successful achievement of EEO goals will provide benefits to the recipient/subrecipient/contractor through fuller utilization and development of previously underutilized human resources.

Pace's EEO Policy Statement contains all of the above-required items except for item 2, "A commitment to undertake an affirmative action program, including goals and timetables, in order to overcome the effects of past discrimination on minorities and women."

In addition, although the Policy Statement states, "Management performance...will be evaluated with the same rigorous performance standards as are performed on all other Pace goals," its manager/supervisor performance assessment forms do not include EEO as a performance measure.

The Policy Statement does not contain the name of the EEO Officer, which is a requirement under Program Dissemination related to including the EEOP manager's name in all internal and external EEOP communications.

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report, Pace must provide FTA Office of Civil Rights a revised EEO Policy Statement that includes all the required elements in accordance with Circular 4704.1 requirements and include the name of the EEO Officer.

**Advisory Comment:** Pace is advised to include EEO in supervisor/manager evaluation forms to be consistent with what is said in the agency's EEO Policy Statement.

## 6.3 Dissemination

**Requirement:** Formal communication mechanisms should be established to publicize and disseminate the agency's EEO policy as well as appropriate elements of the program, to its employees, applicants, and the general public.

**Discussion:** During this Compliance Review, deficiencies were found with how Pace disseminates its EEO policy, both internally and externally.

The EEO Circular (Chapter III, 2b) states:

Dissemination. Formal communication mechanisms should be established to publicize and disseminate the agency's EEO policy, as well as appropriate elements of the program, to its employees, applicants, and the general public.

Internally. Managers and supervisors should be fully informed of the agency's policy by actions such as:

- Written communication from the chief executive officer;

- Inclusion of the EEO program and policy in the agency's personnel and operation's manual; and

- Meetings held (e.g., at a minimum semiannually) to discuss the EEOP and its implementation.

Non-supervisory staff should be informed of the agency's EEO policy and program by actions such as:

- Posting official EEO posters and the policy statement on bulletin boards, near time clocks, employees' cafeteria and snack bars, and in the employment/personnel office;

- Including the EEO policy in employee handbooks, reports, manuals, and union contracts;

- Meeting with minority and female employees to get their suggestions in implementing and refining the EEO program; and

- Presentation and discussion of the EEO program as part of employee orientation and in all training programs.

### Internal Dissemination

Pace's EEOP describes its [internal] EEO policy dissemination as:

Pace's EEO Policy is published in the Employee Handbook, is posted on bulletin boards at all Pace locations, and is prominently displayed in Human Resources where it can be seen by all applicants for employment . . .

The review team toured Pace's headquarters facility and three other facilities (North, North Shore, and Northwest). The EEO Policy Statement is appropriately displayed within HR, on employee bulletin boards, and other high-visibility locations. The review team also confirmed that Pace publishes its EEO Policy in the Employee Handbook.

The Circular calls for regular meetings with managers and supervisors, and meetings with minority and female non-supervisory employees to solicit EEOP feedback. Pace does not hold such meetings.

## External Dissemination

The EEO Circular (Chapter III 2b) states:

Externally. The agency should disseminate its EEO policy and programs to regular recruitment sources, such as:

Employment agencies; hiring halls; unions; educational institutions; minority, handicapped, and women's organizations; civil rights organizations; community action groups; training organizations (e.g., Opportunities Industrialization Centers of America, Inc.); and others who refer applicants.

Public media sources, especially radio and television stations, newspapers, magazines, and other journals (especially those oriented to the handicapped and minority populations). All advertisements for personnel should include a statement that the recipient is an "EEO employer."

Pace's EEOP describes its EEO [external] policy dissemination as:

Pace's EEO Policy . . . is made available upon request to all recruitment sources, colleges and universities, and public and private employment agencies listed in Exhibit A.

Exhibit A to the EEOP lists educational institutions, publications, community resources, and job fairs, stating, "Pace participates in job fairs sponsored by colleges, Chicago Aldermen, members of the Illinois General Assembly...Congressmen, as well as job fairs hosted by local communities throughout our service area."

HR documentation and interviews with HR revealed Pace had records of invoices from newspapers (for advertisements) and outreach vendors (for services), but Pace is not externally disseminating its EEO Policy Statement. In addition, the review team examined Pace's electronic job postings and found that some did not include the statement that Pace is an EEO employer.

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights documentation (e.g., agendas, sign-in sheets from employee meetings, copies of training materials, copy of job postings or advertisements that include the statement "Pace is an equal employment opportunity employer") demonstrating internal and external dissemination of its EEO Policy in accordance with Circular 4704.1 requirements.

## 6.4 Designation of Personnel Responsibility

**Requirement:** The importance of an EEOP is indicated by the individual the agency has named to manage the program and the authority this individual possesses. An executive should be appointed as Manager/Director of EEO who reports and is directly responsible to the agency's CEO. Since managing the EEOP requires a commitment of time and resources, the Manager/Director of EEO should be given top management support and assigned staff commensurate with the importance of this program. The EEOP manager should be identified by name in all internal and external communications regarding the agency's EEOP. This person should be financially compensated at the same level as other top management officials.

**Discussion:** During this Compliance Review, a deficiency was found with this requirement. Pace did not provide evidence the EEO Officer assists with recruitment and establishing outreach sources for use by hiring officials.



Ms. Colette Thomas Gordon, Pace's Chief of Internal Audit, is the designated EEO Officer. Ms. Gordon previously served in this role from 2001 through mid-2012. Ms. Gordon re-assumed this role in June 2015 upon the departure of Pace's Ethics Officer/EEO Officer and two other members of the Ethics/EEO team. Ms. Gordon reports directly to Executive Director T. J. Ross and, among other duties, oversees overall EEOP compliance, conducts investigations, and prepares reports. An administrative assistant supports Ms. Gordon; no other employee is trained in EEOP oversight or implementation on her staff. Pace was evaluating EEO staffing at the time of the site visit, and stated they may designate another employee as EEO Officer and/or increase EEO support staff. The review team reviewed quarterly reports prepared by the former EEO Officer and by Ms. Gordon.

The following table compares Pace's EEO Officer's responsibilities with the responsibilities in the EEO Circular. As shown, Pace does not list "Assisting in recruiting minority, handicapped and women applicants and establishing outreach sources for use by hiring officials." (Chapter II Section 2(c)(7))

EEO Officer Program Responsibilities in Circular	Duties in Job Description
Develop EEO policy/program	Included
Assist management in data needs, setting goals and timetables, etc.	Included
Internal monitoring and reporting system	Included
Reporting periodically to CEO on EEO progress	Included
Liaison to outside organizations/groups	Included
Current information dissemination	Included
Recruitment assistance/establish outreach sources	Not included
Concur in all hires/promotions	Included
Process employment discrimination complaints	Included

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights evidence the EEO Officer will be assisting in recruiting and establishing outreach sources.

**Advisory Comment:** For an agency of Pace's size with over 1,600 employees and 12 operating divisions, it is an effective practice to have a full-time EEO Officer dedicated to EEO (not a combined position) with sufficient support staff to implement the EEOP. This involves actively participating in EEO investigations, leading employee briefings, proactively monitoring all aspects of program implementation (including other department managers' EEO activities), and providing training and counseling.

## 6.5 Utilization Analysis

**Requirement:** The purpose of the utilization analysis is to identify those job categories where there is an underutilization and/or concentration of minorities and women in relation to their availability in the relevant labor market. A utilization analysis consists of work force analysis and availability analysis. The work force analysis requires a statistical breakdown of the recipient's workforce by each department, job category, and job title. Each of the above should be cross-referenced by race, national origin, and sex. This analysis should be structured in lines of progression by departmental units to ensure that promotional opportunities will be considered. An availability analysis compares the participation rates of minorities and women at the various levels in the work force with their availability in relevant labor markets.

**Discussion:** During this Compliance Review, deficiencies were found with Pace's utilization analysis. An advisory comment is made with regard to establishing lines of progression.

Pace provided a utilization table which includes workforce and availability data for the seven EEO-1 categories but lists male and female employees under four categories (Whites, Blacks, Hispanics, and Others), with a footnote stating, “Other category includes Asian, Pacific Islander, Alaskan Native, Native Hawaiian, and any other background not listed.” Pace explained that they present the data in just these four categories (and not the required seven categories) to correspond to the availability analysis data they obtain from the Illinois Department of Employment Security. Pace appropriately uses the seven categories (White, Black, Hispanic, Asian, American Indian/Alaska Native, Native Hawaiian/Pacific Island, and Two or More Races) in other reports it produces, such as its quarterly EEO reports, job applicant statistics, and consolidated workforce analysis reports. A complete utilization and availability analysis is required for all seven categories.

Pace’s utilization tables do not include information on principal duties or rates of pay, but Pace did provide the review team with additional workforce tables listing:

1. Annual salaries for each job title and EEO category showing title, race, and gender for individual race categories (\$126–210k, \$75–126k, \$60–75k, \$50–60k) and supplemental materials for these salary groupings showing the number of supervisors in each grouping by gender and race.
2. Racial categories (Asian, Black, Hispanic, [American] Indian, and White) by gender, title, salary and EEO category.
3. Average salaries (males, females, minorities) by EEO category.

These reports indicate that Pace has the necessary data to structure its utilization analyses in lines of progression that will be used to set goals and timetables.

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report, Pace must submit a revised utilization analysis to the FTA Office of Civil Rights that contains all of the required elements of Circular 4704.1, Page III-5.

**Advisory Comment:** Pace is advised to structure the analysis in lines of progression to include all of the information in one table. Pace is also advised to obtain availability numbers from sites such as the U.S. Census.

## 6.6 Goals and Timetables

**Requirement:** Specific and detailed percentage and numerical goals with timetables must be set to correct any underutilization of specific affected classes of persons identified in the utilization analysis. If goals and timetables are not met, the recipient . . . is obligated to justify this failure following the recipient’s annual evaluation of the EEOP.

**Discussion:** During this Compliance Review, deficiencies were found with Pace’s goal-setting and timetables for addressing underutilization. Pace Goals and Timetables section states:

In order to compute goals for each EEO category, the EEO Officer determines the total number of hires for the past three years – in this case, 2010, 2011, and 2012. The total number of hires is divided by the number of years to obtain the average number of hires per year in each category. A goal is then set for each EEO occupational category based on underutilization by multiplying the number of average hires per year in that job category (for example, Manager/Official, Professionals, Technicians, Office/Clerical, Craft Workers, and Laborers) by the availability figure in the six-county area.

Based upon this analysis, and taking into consideration factors such as the low turnover rate of certain departments and availability of applicants, Pace has set the following goals for 2013-2016:

1. Officials/ Managers: One Hispanic Male, One Hispanic Female; One White Female
2. Professionals: One White Female, One Hispanic Female
3. Technicians: Two Females
4. Administrative Support: One Hispanic Female, One White Female
5. Craft Workers: Three Females; One Hispanic Male
6. Laborers: One Hispanic Female, One Hispanic Male
7. Service Workers: One Hispanic Male. One Female

Pace's analysis shows underutilization in *each* EEO category with a numerical goal of 17 minority and/or female positions.<sup>1</sup> Pace's analysis did not include numerical goals based on a statistical method to calculate goals. Pace's analysis did not include percentage goals and timetables that directly relate to the utilization analysis in lines of progression. Pace explained its goals are low because agency turnover is very low owing to the fact that Pace does not provide retiree health coverage.

Pace's EEOP does not include justification for not meeting prior goals and timetables. Its quarterly reports summarize for each EEO category new hires, separations, reinstatements, transfers, promotions, and changes from part-time to full-time status by gender and race.

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights goals and timetables presented in terms of long-range percentage goals and short-term numerical goals in accordance with FTA Circular 4704.1, III.2. Pace must also provide a justification for prior goals not met.

## 6.7 Assessment of Employment Practices

**Requirement:** Recipients, subrecipients, contractors, and subcontractors must conduct a detailed assessment of present employment practices to identify those practices that operate as employment barriers and unjustifiably contribute to underutilization. All problem areas must be identified and a proposed program of remedial actions must be enumerated in the agency's submitted EEOP.

**Discussion:** During this Compliance Review, deficiencies were found with how Pace assesses its employment practices, documents its assessment methods, and with its program of remedial action.

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<sup>1</sup> The review team's independent utilization and availability analysis using Pace's EEOP data showed as many as 152 positions needed to reach parity.

The EEO Circular (Chapter III, 2f) states:

Recipients/subrecipients/contractors must conduct a detailed assessment of present employment practices to identify those practices that operate as employment barriers and unjustifiably contribute to underutilization. This assessment should include the following:

1. A narrative description and an analysis of all recruitment and employment selection procedures from the agency's last EEO submission, including position descriptions, application forms, recruitment methods and sources, interview procedures, test administration and a determination of their nondiscriminatory impact and validity, educational prerequisites, referral procedures, and final selection methods;
2. A narrative description and analysis of seniority practices and provisions, upgrading and promotion procedures, transfer procedures, and formal and informal training programs from the agency's last EEO submission;
3. A narrative description and analysis of procedures and practices regarding wages, salary levels, and other forms of compensation and benefits;
4. A narrative description and analysis of disciplinary procedures and discharge and termination practices; and
5. A reasonable assessment to determine if the employment of affected classes of persons is inhibited by external factors (e.g., not knowing where to apply for jobs, the availability of bilingual materials and information, etc.).

These analyses must contain statistical data to document the impact of the employment practices by race, national origin, and sex. At a minimum, the analyses must contain the following:

1. The number of people by race, national origin, and sex, applying for employment within the past year . . . and [the number] who were actually hired;
2. The number of employees in each job category, by race, national origin, and sex, who have applied for promotion or transfer within the past year . . . and the number . . . promoted or transferred;
3. The number of disciplinary actions and terminations, by race, national origin, and sex . . .

Pace's EEOP contains a section titled, "Procedures For Monitoring EEO Compliance," and refers to nondiscriminatory employment practices and/or EEO in subsections titled Recruitment, Selection, Promotions, and Wage and Salary Structure, Training and Tuition Reimbursement, Benefits, and Disciplinary Actions Policy.

Each quarter, Pace compiles reports describing its work force (number and percent by race and gender) and lists new hires, separations, reinstatements, transfers, promotions, and changes from part-time to full-time status. Each report also summarizes applications received by race and gender for those who chose to self-identify. However, the reports do not contain any assessments or comparisons. For example, there is no comparison of applicants to new hires, transfers granted to transfers requested, promotions given to promotions applied. The application reports do not document applicant flow (applicants, interviews, hires, etc.). Because Pace does not track or assess this information, it is not possible to determine the full impact of its employment practices. In addition, Pace does not report disciplinary actions (e.g., loss of pay, demotion, etc.) by race and gender.

Review team interviews with the EEO Officer and HR Manager confirmed that Pace does not perform detailed assessments of employment practices. While the EEO Officer and the HR Manager regularly confer to discuss EEO compliance with respect to employment practices, these discussions are informal. Meeting records were not available covering subject, scope, analysis, problem area findings, and remedial actions taken. While the utilization analysis discussed in Section 6.5 identifies underutilization of women and Hispanics in several job categories (Officials and Managers, Professionals, Technicians, Craft Workers, and Laborers and Helpers), Pace does not analyze its employment practices to identify any practices that may operate as employment barriers and unjustifiably contribute to underutilization. In addition, Pace does not outline detailed steps it plans to take to address underutilization identified in the utilization analysis.

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights a revised assessment of employment practices that includes statistical and narrative assessments of current practices and a remedial action plan for all identified underutilization..

## 6.8 Monitoring and Reporting Systems

**Requirement:** An internal monitoring and reporting system should enable the agency to assess EEO accomplishments, evaluate the EEOP during the year, identify those units which have failed to achieve a goal, and provide a precise and factual database for future projections.

**Discussion:** During this Compliance Review, deficiencies were found with Pace's monitoring of its contractors' EEO compliance. An advisory comment is made regarding Pace's formalization of a monitoring and reporting plan. No deficiencies were found with how Pace monitors or documents EEO complaints.

Pace's EEOP includes a section titled, "Procedures for Monitoring EEO Compliance," and includes the statement, "the following is a description of various Pace employment policies and practices and how EEO compliance is monitored in each case." The narrative is almost exclusively focused on employment practices and does not discuss methods to monitor EEO accomplishments.

Pace's monitoring program consists of a series of quarterly reports covering utilization and availability, new hires, separations, reinstatements, transfers, promotions, applicant tracking, and EEO grievances. Pace also produces several internal reports on salaries. Pace's senior management team reviews these reports at quarterly meetings.

As discussed in the previous section, while the EEO Officer and the HR Manager regularly confer to discuss EEO compliance with respect to employment practices, these discussions are informal. Meeting records were not available covering subject, scope, analysis, problem area findings, and remedial actions taken.

Pace provides complementary paratransit service throughout the entire RTA region, including the City of Chicago, and uses contractors to deliver the service.

In its response to FTA's notification letter requesting information on subrecipients or contractors, Pace stated, "If the Contractor is required to file an Affirmative Action Plan with any Federal, state or local agency, the Contractor assures Pace that it is in full compliance with such filing requirements."

Self-certification (written assurance) in lieu of a submitted EEO program is not consistent with Page 2 of FTA's Master Agreement, which states:

Compliance

1. FTA and the Recipient understand and agree that they both:
  - a. Must comply with all applicable Federal laws and regulations, and
  - b. Should follow applicable Federal guidance, except as FTA or the Federal Government determines otherwise in writing,
2. To assure compliance with Federal laws and regulations, the Recipient must take measures to assure that other participants in its FTA-assisted Project (Third Party Participants):
  - a. Comply with applicable Federal laws and regulations, and
  - b. Follow applicable Federal guidance, except as FTA determines otherwise in writing,
3. Third Party Participants may include any:
  - a. Subrecipient,
  - b. Third Party Contractor,
  - c. Third Party Subcontractor at any tier,
  - d. Lessee, or
  - e. Other type of Participant,

Pace does not collect copies of contractor EEO reports, inspect their records, or otherwise ensure that contractor(s) comply with the FTA Circular requirements.

With respect to EEO complaints, Pace provided the review team with a list of all EEO complaints and lawsuits, which the review team then discussed during the site visit. Pace has proper EEO complaint procedures and resolves them according to these procedures.

**Corrective Actions and Schedule:** Within 90 days of the issuance of the final report. Pace must provide FTA evidence of measures it is taking to ensure its contractors comply with Circular 4704.1 requirements.

**Advisory Comment:** FTA advises Pace to be more descriptive in its monitoring and reporting activities in its next EEO Program and to maintain meeting records such as sign-in sheets and meeting minutes.

## 7 Summary Table of Compliance Review Findings

Item	Requirement of FTA Circular 4704.1	Site Visit Finding deficiency/no deficiency or advisory comment	Corrective Actions	Response Days/Date
1.	Program	No deficiencies		
2.	Statement of Policy	Deficiency Advisory Comment	Within 90 days of the issuance of the final report, Pace must provide FTA Office of Civil Rights a revised EEO Policy Statement that includes all the required elements in accordance with Circular 4704.1 and include the name of the EEO Officer.	90/*
3.	Dissemination	Deficiency	Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights documentation (e.g., agendas, sign-in sheets from employee meetings, copies of training materials, copy of job postings or advertisements that include the statement "Pace is an equal employment opportunity employer") demonstrating internal and external dissemination of its EEO Policy in accordance with Circular 4704.1 requirements.	90/*
4.	Designation of Personnel Responsibility	Deficiency Advisory Comment	Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights a revised EEOP to include providing assistance in recruiting minority, disabled, and women employees.	90/*
5.	Utilization Analysis	Deficiency Advisory Comment	Within 90 days of the issuance of the final report, Pace must submit a revised utilization analysis to the FTA Office of Civil Rights that contains all of the required elements of Circular 4704.1, Page III-5.	90/*

Item	Requirement of FTA Circular 4704.1	Site Visit Finding deficiency/no deficiency or advisory comment	Corrective Actions	Response Days/Date
6.	Goals and Timetables	Deficiency	Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights goals and timetables presented in terms of long-range percentage goals and short-term numerical goals in accordance with FTA Circular 4704.1, III.2. Pace must also provide a justification for prior goals not met.	90/*
7.	Assessment of Employment Practices	Deficiency	Within 90 days of the issuance of the final report, Pace must submit to the FTA Office of Civil Rights a revised assessment of employment practices that includes statistical (80% Rule) and narrative assessments of current practices and a remedial action plan for all identified underutilization and potential adverse impact in employment practices.	90/*
8.	Monitoring and Reporting System	Deficiency Advisory Comment	Within 90 days of the issuance of the final report. Pace must provide FTA evidence of measures it is taking to ensure its contractors comply with Circular 4704.1 requirements.	90/*

\* Date to be provided in final report transmittal letter



## 8 Compliance Review Attendee List

### Entrance Conference

Name	Title/Organization	Email
T. J. Ross	Executive Director/Pace	T.J.Ross@pacebus.com
Nancy Carroll-Zimmer	Deputy General Counsel/Pace	Nancy.Carroll-Zimmer@pacebus.com
Melinda Metzger	Deputy Executive Director, Revenue Service/Pace	Melinda.Metzger@pacebus.com
Michael Bolton	Deputy Executive Director, Strategic Services/Pace	Michael.Bolton@pacebus.com
Colette Thomas Gordon	Chief, Internal Audit/EEO Officer/Pace	Colette.Thomas.Gordon@pacebus.com
Marion Roglich	Department Manager, Human Resources/Pace	Marion.Roglich@pacebus.com
Odette Fay	Department Manager, PMO and Training/Pace	Odette.Fay@pacebus.com
Betsy Schilli	Training and Development Specialist/Pace	Besty.Schilli@pacebus.com
Dorothy Bobco	Administrative Assistant, Internal Audit/Pace	Dorothy.Bobco@pacebus.com
Z. Wayne Johnson	Review Team Leader/The Collaborative	zjohnson@thecollaborative.com
Lamont Pray	Review Team Member/The Collaborative	lpray@thecollaborative.com
Bill Schwartz	Review Team Member/The Collaborative	wschwartz@thecollaborative.com
Anita Heard	EEO Program Coordinator/FTA Office of Civil Rights (by telephone)	Anita.Heard@dot.gov
Marisa Appleton	Acting Regional Civil Rights Officer	Marisa.Appleton@dot.gov

**Exit Conference**

<b>Name</b>	<b>Title/Organization</b>	<b>Email</b>
T. J. Ross	Executive Director/Pace	T.J.Ross@pacebus.com
Terrance Brannon	Deputy Executive Director, Internal Services/Pace	Terrance.Brannon@pacebus.com
Thomas Ciecko	General Counsel/Pace	Thomas.Ciecko@pacebus.com
Melinda Metzger	Deputy Executive Director, Revenue Service/Pace	Melinda.Metzger@pacebus.com
Michael Bolton	Deputy Executive Director, Strategic Services/Pace	Michael.Bolton@pacebus.com
Colette Thomas Gordon	Chief Internal Audit/EEO Officer/Pace	Colette.Thomas.Gordon@pacebus.com
Marion Roglich	Department Manager, Human Resources/Pace	Marion.Roglich@pacebus.com
Odette Fay	Department Manager, PMO and Training/Pace	Odette.Fay@pacebus.com
Betsy Schilli	Training and Development Specialist/Pace	Besty.Schilli@pacebus.com
Dorothy Bobco	Administrative Assistant, Internal Audit/Pace	Dorothy.Bobco@pacebus.com
Z. Wayne Johnson	Review Team Leader/The Collaborative	zjohnson@thecollaborative.com
Lamont Pray	Review Team Member/The Collaborative	lpray@thecollaborative.com
Bill Schwartz	Review Team Member/The Collaborative	wschwartz@thecollaborative.com
Anita Heard	EEO Program Coordinator/FTA Office of Civil Rights (by telephone)	Anita.Heard@dot.gov



U.S. Department  
Of Transportation  
**Federal Transit  
Administration**

Headquarters

East Building, 5th Floor, TCR  
1200 New Jersey Ave., SE  
Washington, D.C. 20590

September 9, 2015

Thomas J. Ross  
Executive Director  
PACE Suburban Bus Service  
550 W. Algonquin Road  
Arlington Heights, Illinois 60005

Dear Mr. Ross:

The Federal Transit Administration (FTA) Office of Civil Rights is responsible for ensuring compliance with the Equal Employment Opportunity program (EEO) pursuant to 49 U.S.C. Section 5332, "Non-Discrimination" as it relates to public transportation. As part of its ongoing oversight efforts, the FTA Office of Civil Rights conducts a number of on-site EEO compliance reviews of these grant recipients. For this reason, PACE Suburban Bus Service (PACE) has been selected for a review of its overall EEO program to take place November 2–5, 2015.

The purpose of this review will be to determine whether PACE is honoring its commitment, as represented by certification to FTA, to comply with all the provisions of Circular 4704.1.

The review process includes data collection before the on-site visit, an opening conference, an on-site review of EEO program implementation (including, but not limited to discussions to clarify items previously reviewed and interviews with staff), and an exit conference. The reviewers will complete the on-site portion of the review within a four-day period. FTA has engaged the services of the Collaborative of Boston, MA to conduct this compliance review. The Collaborative team and FTA representatives will participate in the opening and exit conferences, with FTA participating by telephone.

We request your attendance at an opening conference scheduled on **November 2, at 4 p.m., Eastern** to introduce the Collaborative review team and FTA representatives to PACE management. Attendees should include you, the EEO Officer, and other key staff. During the opening conference, the review team members will present an overview of the on-site activities.

Because review team members will spend considerable time on site during the week, please provide them with temporary identification and a workspace within or near your offices for the duration of their visit. The review team will need adequate working space and the use of privately controlled offices with internet access to conduct interviews and review documents. Please let us know if you will designate a member of your staff to serve as PACE liaison with the review team and will coordinate the on-site review and address questions that may arise during the visit.

So that we may properly prepare for the site visit, we request that you provide the information described in Enclosure 1, which consists of items that the review team must receive within 21 days of the date of this letter. Please forward these materials to the following contact person:

Z. Wayne Johnson  
The Collaborative  
2339 Marina Glen Way  
Sacramento, CA 95833  
Tel. 916-475-3557  
zjohnson@thecollaborative.com

We request the exit conference be scheduled for **November 5, 2 p.m. Eastern**, to afford an opportunity for the reviewers to discuss their observations with you and your agency. We request that you, the EEO Officer, and other key staff attend the exit conference.

The FTA Office of Civil Rights will make findings and will provide a Draft Report. You will have an opportunity to correct any factual inconsistencies before FTA finalizes the report. The Draft and Final Reports, when issued to PACE, will be considered public documents subject to release under the Freedom of Information Act, upon request.

PACE representatives are welcome to accompany the review team during the on-site activities, if you so choose. If you have any questions or concerns before the opening conference, please contact Brian Whitehead, Program Manager for this compliance review, at 202-366-3051 or via e-mail at [brian.whitehead@dot.gov](mailto:brian.whitehead@dot.gov).

Thank you in advance for your assistance and cooperation as we undertake this process. We look forward to working with your staff.

Sincerely,



John Day  
Program Manager for Policy & Technical Assistance

cc: Anita Heard, FTA Equal Opportunity Specialist, FTA Office of Civil Rights  
Marisol Simon, FTA Region 5 Administrator  
Marjorie Espina, FTA Region 5 Civil Rights Officer  
Colette Thomas Gordon, Chief Internal Auditor/EEO Officer

PACE Suburban Bus Service  
Equal Employment Opportunity Program Compliance Review

**Enclosure 1**

You must submit the following information to the Collaborative contact person within 21 calendar days from the date of this letter.

1. Copy of your most recently submitted EEO Plan and approval letter.
2. Summary listing of EEO complaints and lawsuits against PACE during the period beginning September 1, 2012, alleging discrimination towards an employee or job applicant. The summary shall indicate the date of the complaint, if the complaint was filed internally or externally, the basis for complaint, and comments describing the resolution or active status of the complaint.
3. Collective bargaining agreements for each bargaining unit.
4. Employment application.
5. Documentation of internal dissemination of EEO policy, such as: annual memo to all employees, new employee acknowledgement form, EEO training materials, etc.
6. Documentation of external dissemination of EEO policy, such as EEO policies and procedures included in all contract bid documents, sample employment ads, sample outreach efforts to minority media and/or organizations.
7. Position descriptions for EEO counselors.
8. Description of EEO training, if any, provided to the EEO officer and EEO counselors.
9. Workforce availability/utilization analysis from the current EEO plan.
10. A copy of personnel policy guides, handbooks, regulations, or other material that govern employment practices.
11. A list of all recruitment sources used during the last year, including the name and telephone numbers of contact persons.
12. A listing of all job titles for which written examinations are conducted.
13. Statistics on separations, disciplinary actions, promotions, and new hires since September 1, 2012.
14. Data on average salaries or wages paid to all employees, as of September 2015, by EEO job category, as well as the average salaries or wages paid to minority and female employees.
15. Summary report of exit interview findings for the past three years.
16. Documentation of EEO monitoring and reporting system as described in the mostly submitted EEO Plan.
17. A list of all subrecipients who meet the EEO threshold.