AFFIRMATIVE ACTION PROGRAM (AAP)
A requirement under Title 41 of the Code of Federal Regulations 60-2m, an Affirmative Action Program (or AAP, or “Plan”) is a set of written, specific, results-oriented procedures to which a federal contractor commits to applying every good faith effort. A management tool designed to ensure equal employment opportunity, it contains diagnostic components that include a number of quantitative analyses designed to evaluate the composition of the workforce of a federal contractor. It also includes action-oriented programs, such as specific practical steps designed to address underutilization where it exists in the contractor’s workforce. The AAP requirements include internal auditing and reporting systems as a means of measuring progress toward achieving the workforce that would be expected in the absence of discrimination.

The AAP is designed to ensure equal employment opportunity by institutionalizing the contractor's commitment to equality in every aspect of the employment process. Thus, a contractor must monitor and examine its employment decisions and compensation systems to evaluate the impact of those systems on women and minorities.

“An Affirmative Action program is, thus, more than a paperwork exercise...includes those policies, practices, and procedures that the contractor implements to ensure that all qualified applicants and employees are receiving an equal opportunity for recruitment, selection, advancement, and every other term and privilege associated with employment. Affirmative Action, ideally, is a part of the way the contractor regularly conducts its business... When an Affirmative Action program is approached from this perspective, as a powerful management tool, there is a positive correlation between the presence of Affirmative Action and the absence of discrimination” (41CFR60-2.10).

ADVERSE IMPACT
A required component of an AAP, the Impact Ratio Analysis (IRA) is a comparative analysis performed by an EEO job group on selection rates for hiring, promotion, or other employment decisions. The result of this analysis may indicate an 'adverse impact' for women and/or minorities.

AFFIRMATIVE ACTION
In compliance terms, Affirmative Action means "casting a wider net" to increase the representation of minorities and women in job group areas where affirmative action goals (see below) have been established.

Affirmative Action is also a generic term for many different types of positive actions undertaken by federal contractors to provide job opportunities for minorities, women, individuals with disabilities, and veterans.
AVAILABILITY ANALYSIS
A required component of an AAP, availability is an estimate of the number of qualified minorities and women available for employment in an AAP job group, expressed as a percentage of all qualified individuals available for employment. The purpose of determining "availability" is to establish a standard against which to measure the demographic composition of a contractor’s workforce (41CFR60-2.14).

EQUAL EMPLOYMENT OPPORTUNITY (EEO) AND EXECUTIVE ORDER 11246
Executive Order 11246 prohibits covered federal contractors and subcontractors from discriminating on the basis of race, color, religion, sex, or national origin, and requires affirmative action to ensure equal employment opportunity without regard to those factors. E.O. 11246 is enforced by the Office of Federal Contract Compliance Programs (OFCCP) – see below.

PLACEMENT GOALS
A required component of an AAP, Placement Goals are established as objectives or targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire AAP work, and to measure progress toward achieving equal employment opportunity. The placement goal must, at minimum, represent the availability estimate derived for women and/or minorities, as appropriate, for a specific job group (41CFR60-2.16).