

1. IDENTIFICATION OF THE INFORMATION COLLECTION

(a) Title of the Information Collection

This information collection request is for the Environmental Protection Agency (EPA) requirement entitled “**Background Checks for Contractor Employees (Renewal),” EPA ICR Number 2159.03 and OMB Control Number 2030-0043.** The Agency requires background checks for specified contractor employees working in sensitive locations or sensitive projects and not otherwise covered by a background check in accordance with Homeland Security Presidential Directive -12.

(b) Short Characterization

The EPA uses contractors to perform services throughout the nation with regard to environmental emergencies involving the release, or threatened release, of oil, radioactive materials or hazardous chemicals that may potentially affect communities and the surrounding environment. Releases may be accidental, deliberate, or may be caused by natural disasters. The Agency may request contractors responding to any of these types of incidents to conduct background checks and apply Government-established suitability criteria in determining whether employees are acceptable to perform on given sites or on specific projects. In addition to emergency response contractors, EPA may require background checks for contractor personnel working in sensitive sites or sensitive projects. The background checks and application of the Government’s suitability criteria must be completed prior to contract employee performance. The contractor shall maintain records associated with all background checks.

2. NEED FOR AND USE OF THE COLLECTION

(a) Need/authority for the Collection

The legal authority for this collection is Title 5, Code of Federal Regulations, Parts 731, 732, and 736. The EPA has a responsibility to protect the public, Agency employees, and contractors through a background check and application of Government-established suitability criteria to ensure reliability, trustworthiness, and good conduct and character. This process is necessary to allow the EPA to meet its responsibilities and mitigate the threat to the public health, welfare and the environment.

(b) Uses/users of the Data

Information collected by contractors for performing background checks is necessary for applying the Government-established suitability criteria on contract employees before the individual employees perform contractual services for the EPA.

3. NONDUPLICATION, CONSULTATION, AND OTHER COLLECTION CRITERIA

(a) Nonduplication

Information requested from a contractor's employee to determine suitability to perform on a response contract is unique to a specific individual; this information cannot be obtained from any other source.

(b) Public Notice Required Prior to ICR submission to the Office of Management and Budget.

The information collection request was initially published as a Notice in the Federal Register on June 10, 2005 and no comments were received. This information collection request has been published for renewal as a Notice in the Federal Register on November 13, 2008 and no comments were received.

(c) Consultations

To determine contractor burden associated with the information collection identified in this request, the following vendors were contacted:

<u>Representative</u>	<u>Firm</u>	<u>Phone</u>
Micaell Diazgranados	WRS Infrastructure& Env.	(813) 684-4400
Tom Campbell	Project Resources, Inc.	(858) 505-1000
Michael Gibbons	Techtratech Inc.	(805) 515-8501
Mark Ruck	Environmental Restoration	(636) 227-7477

Each individual consulted indicated that he/she understood the need for the information collection and did not find the collection burdensome. Each individual consulted stated that their organization now performs Background Checks of new hires as standard practice. Estimated time to complete the information collection is described in section 6. Estimating the Burden and Cost of the Collection.”

(d) Effects of Less Frequent Collection

The information provided by the contractors' employees is collected once prior to the employee performing work for EPA. The requirement for a background check and application of the Government's suitability criteria cannot be met with a less frequent collection.

(e) General Guidelines

The information contained in this ICR is in accordance with the Office of Management and Budget's general guidelines for Federal data collection, except that small entities have to follow the same collection procedures as other respondents.

(f) Confidentiality

The EPA contractor is responsible for collecting and maintaining information under this collection of information; therefore, each contractor will have his own procedures for ensuring confidentiality.

(g) Sensitive Questions

Information requested is commonly collected as a normal business practice. The contractor will collect and maintain employee information. The EPA will not collect contractor employee information nor maintain it. The Agency is responsible for receiving the suitability notification from contractors.

If a contractor employee's background check does not meet the suitability criteria, but the contractor wants the employee to work on the response site, the contractor must submit a waiver request to the Director, Superfund/RCRA Regional Procurement Operations Division (SRRPOD). The information submitted to SRRPOD is maintained and protected in accordance with Privacy Act requirements.

4. THE RESPONDENTS AND THE INFORMATION RECEIVED

(a) Respondents/North American Industry Classification System Codes

Information is collected for employees of the contractor and subcontractor who perform work in sensitive sites or sensitive projects. All contractor employees who will perform on response action are subject to a background check and must meet the Government-established suitability criteria prior to contract performance. Typically, these contractor respondents fall into the following North American Industry Classification System code: 562910 Remediation Services. Other contractors may be subject to background check requirements.

(b) Information Requested

The contractor's employees will be required to provide information such as name, social security number, proof of US citizenship or legal resident status, employment history, education, military service, and address of residence.

After performing a background check and applying the Government's suitability criteria for an employee, the contractor must notify the contracting officer that the background checks and the application for the Government's suitability criteria have been completed and that named individuals are suitable to work on a specific contract.

5. THE INFORMATION COLLECTED: AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

(a) Agency Activities

EPA contracting officers are responsible for ensuring that they have received notification from the contractor that all of its employees working under the emergency response contract at an incident have undergone a background check and have met the Government-established suitability criteria.

(b) Collection Methodology and Management

The information is collected by each contractor from each employee who will be working at sensitive sites or in sensitive positions which could involve law enforcement activities, indoor cleanups (including occupied household residences), drug lab cleanups, and emergency response actions at geographically sensitive locations such as military installations and Government buildings. Submissions are accepted in any format so long as they include the requested data. No information is submitted to the Agency, but compliance is mandatory and no employee may work on a response site without meeting the Government-established suitability criteria unless the requirement has been waived by the contracting officer. Contracting officers, on a case-by-case basis, may, either temporarily or permanently, waive the requirements, if they determine, in writing, that these requirements are not necessary at a specific location, or for a specific individual, in order to protect the Government's interests. The suitability criteria has been developed by the Government to determine that there are reasonable grounds to believe that an individual will likely be able to perform the contract requirements on a sensitive site or in a sensitive position without undue risk to the interests of the Government. Once the contractor has applied the criteria and the employee has met the requirements as prescribed in the Statement of Work, contractors must notify the EPA contracting officer. Contractors must maintain the records of their background checks and application of the Agency's suitability criteria.

(c) Small Entity Flexibility

Separate or further simplified requirements for small entities are not practical because the stated objectives cannot be met under such alternatives. The requirements of the information collection apply to the awardees of the contract. Reasonable expense associated with the EPA background checks is reimbursable; therefore, small businesses are not expected to experience financial difficulties in fulfilling these requirements. There are numerous commercial sources that perform background checks.

(d) Collection Schedule

Information will be collected periodically as individuals are requested to work at a sensitive site or in a sensitive position under new or existing contracts.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

(a) Estimation of Respondent Burden

Respondent burden estimates for this collection are based upon interviews with the contractors identified in 3(c) above and discussions with Agency personnel. The Agency anticipates that the contractor burden for complying with this requirement includes the time it takes for employees to provide the required information, the time to manage a subcontract for background checks, the administrative time to apply the Government's suitability criteria, the time to notify the Agency, and the effort to maintain the records.

(b) Estimation of Respondent Costs

(i) Estimating Labor Costs

Respondent Cost Estimate

Respondent Cost Estimate

<u>Step</u>	<u>Collection Activity</u>	<u>Labor Cat.</u>	<u>Burden Loaded</u>		
			<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
1.	Time to fill out information	Employees	.15 hour	\$ 67.65	\$ 10.15
2.	Cost to perform Background Check (Third party/Subcontractor)				\$ 35.00
3.	Review/apply suitability criteria	Manager	.15 hour	\$116.55	\$ 17.48
4.	Submit notification	Manager	.10 hour	\$116.55	\$ 11.66
5.	Maintain files	Admin. Support	<u>.15 hour</u>	<u>\$ 47.47</u>	<u>\$ 7.12</u>
			.55 hours		\$ 81.41

Step 1 of the information collection is completed by an employee at any level working on-site, an on average respondents stated this process normally takes the employee about 15 minutes to complete. Step 2 is a plug figure based upon market research and input from the vendors surveyed. This represents the average cost to process an applicant. Most vendors stated this process was normally contracted out to a third party. Step 3 and 4 of the collection activity is performed by a human resource type manager and/or a security manager responsible for personnel management. Most vendors stated this process takes less of their time now since the information provided to them from the third party is more detailed. Administrative support personnel are responsible for completing step 5, normally in coordination with the third party. Several vendors stated that the subcontractor that performed the background checks, normally also housed electronic records of the background checks for the vendor. However the Administrative support is still responsible for maintaining hard copies of the files.

The cost associated with this effort was estimated using a loaded hourly rate based upon

Attachment A

the National Compensation Survey: Occupational Wages in the United States, 2007 published by the U.S. Department of Labor, Bureau of Labor Statistics in April of 2007, and represents the most current survey data available.

Since the labor rates used in this estimate are from 2007, an escalation factor of 4% (based upon Defense Contract Audit Agency) was applied for each year to determine an average wage for the respective year. The cost for each labor category was determined by multiplying the escalated hourly labor rate by an estimated loading factor of 2.95 (*see below) to reflect industries' over head, fringe benefits, and general and administrative costs for each year (2009 thru 2011) that the ICR will be in effect. These loaded labor cost for 2005 thru 2007 are then divided by three (number of years for the ICR) to arrive at an annualized labor cost for each labor category.

The following are the loaded labor rates used in the calculations in the table above:

Employees:

2007 = \$20.46
2008 = (\$20.46 x 1.04) \$21.28
2009 = (\$21.28 x 1.04) \$22.13 x 2.95 = \$ 65.28
2010 = (\$22.13 x 1.04) \$23.02 x 2.95 = \$ 67.09
2011 = (\$23.94 x 1.04) \$23.94 x 2.95 = \$ 70.62
\$202.96/3 = \$67.65

Administrative Manager:

2007 = \$35.15
2008 = (\$35.15 x 1.04) \$36.56
2009 = (\$36.56 x 1.04) \$38.02 x 2.95 = \$ 112.16
2010 = (\$38.02 x 1.04) \$39.54 x 2.95 = \$ 116.45
2011 = (\$39.54 x 1.04) \$41.03 x 2.95 = \$ 121.04
\$ 349.65/3 = \$116.55

Administrative Support:

2007 = \$14.29
2008 = (\$14.29 x 1.04) \$14.86
2009 = (\$14.86 x 1.04) \$15.45 x 2.95 = \$ 45.58
2010 = (\$15.45 x 1.04) \$16.09 x 2.95 = \$ 47.47
2011 = (\$16.09 x 1.04) \$16.73 x 2.95 = \$ 49.35
\$142.40/3 = \$47.47

* 2.95 is a factor recommended by EPA cost analyst as representative of labor related burdens experienced by EPA contractors.

(ii) Capital/ Start-up Costs

Respondents will not be required to acquire capital goods to provide the requested information; therefore, capital start-up costs have not been included in this estimate.

(iii) Operating and Maintenance Costs

Operating and maintenance costs, which include such items as file storage, photocopying, and postage, will be nominal.

(c) Estimating Agency Burden and Cost

Agency burden for responses to background check and application of Government suitability criteria.

Agency Burden Cost Estimate					
<u>Step</u>	<u>Collection Activity</u>	<u>Labor Category</u>	<u>Burden Hours</u>	<u>Loaded Rate</u>	<u>Cost</u>
1.	Ensure Compliance	GS-13	.25 hour	\$75.55	\$18.89
2.	Document Contractors' Notifications	GS-13	.25 hour	\$75.55	\$18.89
			.50 hour		\$37.78
* EPA Waiver		GS-13	.25 hour	\$75.55	\$18.89

* Requests for waivers are estimated at 25% of contractor employees.

$$\begin{aligned}
 2009 &= 33.84 \times 2.16^{**} = \$73.09 \\
 2010 &= (\$33.84 \times 3.0\%) \$34.86 \times 2.16 = \$75.98 \\
 2011 &= (\$34.86 \times 3.0\%) \$35.91 \times 2.16 = \underline{\$77.57} \\
 &\quad \$226.64/3 = \$75.55
 \end{aligned}$$

Performing background checks and applying the Government's suitability criteria are the responsibility of the EPA contractor. The Agency is primarily responsible for ensuring that contractors notify the Agency that a background check and application of the suitability criteria have been completed for all applicable employees. The Agency's current effort is estimated to be at the GS-13 level due to recent EPA turnover rates within the 1102 series. The GS-13 per hour salary for 2009 is \$33.84. This per hour wage was escalated by an estimated factor of 3.0% based upon historical cost of living increases for federal workers. These wage rates were then multiplied by a factor of **2.16 to reflect Federal employee benefits and then divided by three for an annualized loaded rate of \$75.55, for the three years the ICR is in effect (see above).

**2.16 is a factor recommended by EPA cost analyst as representative of employee related benefits.

(d) Estimating the Respondent Universe and Total Burden

All EPA contractor personnel performing on a response site must provide the required background information unless this requirement is waived by the contracting officer. The number of contractor employees expected to submit the requested information for background checks for the life of this ICR (3 years) is 3,000. This number was derived by estimating the number of currently performing contract employees under emergency response contracts. The Agency estimated this number of employees by reviewing current contract databases and information received from the regions. A 10% factor was then applied to cover all other contractor personnel who may work at sensitive sites or sensitive projects.

There are both small and large businesses working in the field with diverse response site situations that require large variations in the number of employees. Contractors may be on-site for a few days or many years depending on the situation. Per the EPA Office of Acquisition Management's active contract list there are currently about 78 contracts that respond to environmental emergencies involving the release, or threatened release, of oil, radioactive materials or hazardous chemicals that may potentially affect communities and the surrounding environment. Many START, ERRS, ROC, RAC, REPA, and ESAT contracts require employees to be prepared to report to work locations. Therefore, these employees must have background checks and meet the Government's suitability criteria even if not continuously located on-site.

Additionally, there are contractors working at their own facilities or at other than government locations who work on sensitive locations or on sensitive projects. These may include, but not limited to, maintenance of anti-terrorism equipment warehouses, water systems, environmental information, and private laboratories working on genetically modified herbicides and pathogens, and law enforcement activities.

Finally, there are situations in which contracting officers may waive this background check requirement, making it difficult to precisely determine the number of respondents. For these reasons, this initial request represents our best estimate given current information. Future estimates will be more accurate and based on historical data monitored through the Agency's contractual systems on the use of the subject clause.

(e) Bottom Line Burden Hours and Costs

(i) Respondent Tally

Total annual respondent hours for this collection request are 1,000 hours. This is derived by taking the total number of background checks, 3,000, divided by 3 (the number of years the ICR is effective for a total of 1,000 occurrences per year. Then the number of annual occurrences, 1,000, is multiplied by the respondent burden effort of .55, approximately a half an-hour to collect information to arrive at the total of 550 hours per year.

Total annual respondent cost for this collection request is approximately \$81,410. This is

calculated by multiplying the number of annual occurrences, 1,000 by the respondent cost of one collection, \$81.41.

(ii) The Agency Tally

The total annual Agency burden for this collection request is still estimated at 500 hours. This is calculated by multiplying the estimated burden hours, .50, by the number of annual occurrences, 1,000 to arrive at 500 hours. Additionally, the estimated number of waivers, 250 (see below), is multiplied by the estimated time it takes to perform a waiver, .25, to arrive at 62.5 hours per year. The total Agency burden is estimated by adding the contracting officer burden, 500 hours, to the estimated waiver burden, 62.5, to arrive at 562.5 hours per year.

The total annual Agency cost for this collection request is estimated at \$42,503 (roundup). This is calculated by adding the cost of the contracting officer effort, \$37,780 (see below), plus the estimated cost of the waiver, \$4,722.50 (see below), to arrive at a total Agency burden of \$42,502.50.

(a) Contracting Officer Effort

The cost of the contracting officer effort is determined by multiplying the estimated burden hours, .50, by the estimated hourly rate of \$75.55, for a total of \$37.78 for one collection request by the contracting officer. The total cost of the contracting officer effort is calculated by multiplying the number of occurrences, 1,000, by the cost for one occurrence, \$37.78, to arrive at a total estimated cost of \$37,780.

(b) Estimated Cost of the Waiver Determination

Additionally, it is estimated that 25% of contractor employees will have adverse information reported and the contractor will request a waiver. The number of waiver determinations is calculated by multiplying 25% by the number of annual occurrences, 1,000 to arrive at an estimated 250 (25% x 1,000) waiver determinations. Then the cost of the waiver determinations is estimated by multiplying the hourly rate of \$75.55, at the GS-13 rate, by the .25 hours estimated to make the determination, for a cost of \$18.89 per occurrence. The total cost of the waiver determination effort is calculated by multiplying the number of occurrences, 250, by the cost for one waiver determination, \$18.89, to arrive at a total of \$4,722.50.

(f) Burden Statement

The annual public reporting and record keeping burden for this collection of information is estimated to average, .50, a half an-hour per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing

and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID No. EPA-HQ-OARM-2008-0828, which is available for public viewing at the Office of Environmental Information Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Office of Environmental Information Docket is (202) 566-1752. An electronic version of the public docket is available through EPA Dockets (EDOCKET) at <http://www.epa.gov/edocket>. Use EDOCKET to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select "search," then key in the docket ID number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OARM-2008-0828 and OMB control number: 2030-0043 in any correspondence.