

SUPPORTING STATEMENT

FOR THE PAPERWORK REDUCTION ACT SUBMISSION FOR A NEW INFORMATION COLLECTION

“Supplier Diversity Business Management System”

Justification

1. Circumstances Making the Collection of Information Necessary

The Securities and Exchange Commission (Commission) is required under Section 342(c) of the Dodd Frank Wall Street and Reform Act (the Dodd-Frank Act) to develop standards and procedures for ensuring the fair inclusion of minority-owned and women-owned businesses in all of the Commission’s business activities. 12 U.S.C. § 5452(c)(1). In addition, the Commission is required to develop standards for coordinating technical assistance to minority-owned and women-owned businesses. 12 U.S.C. §5452(b)(2)(B). In order to implement the requirements of Section 342 of the Dodd-Frank Act, the Commission is developing a new electronic Supplier Diversity Business Management System (the System) to collect up-to-date business information and capabilities statements from diverse suppliers interested in doing business with the Commission. The information collected in the System will allow the Commission to update and more effectively manage its current internal repository of diverse suppliers. Further, the information in the System will also allow the Commission to measure the effectiveness of its technical assistance and outreach efforts, and target areas where additional program efforts are necessary.

2. Purpose and Use of the Information Collection

The purpose of the proposed information collection is to allow diverse suppliers interested in doing business with the Commission to provide certain pertinent business information. This business information will allow the Commission to (1) learn about a potential supplier’s interest in the Commission’s contracting opportunities, (2) communicate with interested suppliers when opportunities arise, and (3) gather information on vendors and supplier diversity program activities to guide initiatives and facilitate Congressionally-mandated reporting on the Commission’s contract awards.

The System will manage and track all business information, communication and collateral documentation associated with each supplier registered. Improvement of the supplier registration and management process is anticipated as follows: 1) suppliers will have the ability to self-register; 2) accuracy of the data is expected to improve, as much of the data captured will be entered by the “source” (diverse supplier); 3) external customer service will be improved, as staff will have the ability to accurately pull tailored supplier listings from the system for dissemination of Commission contract opportunities; 4) internal customer service will be improved, as the ability to quickly pull tailored supplier listings will allow for ease in conducting procurement market research for users of this application throughout the

Commission; and 5) tracking of outreach efforts, monitoring of communication with vendors, and overall reporting will be more efficient, as a centralized repository for diverse supplier information will be created.

3. Consideration Given to Information Technology

Information will be collected in the System via e-filed, dynamic form-based technology. The form will be accessible via a web-link. The company point of contact will complete a profile consisting of basic contact data and information on the capabilities of the business. The profile will include a series of questions, some of which are based on the data that the individual enters. Drop-down lists will be included where appropriate to increase ease of use. This also reduces burden by alleviating the need to fully type out a response to every question. The information collection is voluntary.

4. Duplication of Information

Although some basic business data is available in the System for Award Management, the Commission's collection of information from diverse suppliers will enable the agency to specifically target minority-owned and women-owned suppliers, and gauge its outreach efforts related to those businesses. The collection also will allow suppliers to provide specific information on capabilities that specifically meet the Commission's contracting needs. Taken together, this will allow for the efficient and effective identification of suppliers in a manner that both fulfills the requirements under Section 342(c) of the Dodd Frank Act, and is tailored to the Commission's purchasing space.

5. Reducing the Burden on Small Businesses

The burden of compliance with the information collection requirement does not disparately impact small businesses or other small entities. The information being captured is readily known and available to the respondents. Additionally, the electronic registration format allows businesses to complete and submit their information online, without any printing, manual entries, or faxing required.

6. Consequences of Not Requiring Collection

Without the implementation and use of the information collection, the Commission would be limited in capturing the outreach and technical assistance information that Congress requires pursuant to Section 342(c) of the Dodd-Frank Act.

Additionally, the Commission's business information on diverse suppliers is currently maintained in disparate locations. Correspondence with diverse suppliers is similarly maintained in different locations and formats. This lack of a centralized repository for basic business information, supplier business collateral and communication documentation creates inefficiencies for staff accessing and utilizing these information sets to deliver appropriate

program services, and track and report on program activities. Suppliers also do not currently have the ability to self-register as diverse suppliers with the Commission. Because all entries must be made manually by Commission staff based on hardcopy paper documents, the process of collecting the information subject to data loss and data entry error.

7. Inconsistencies with Guidelines in 5 CFR 1320.8(d)

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.8(d).

8. Consultations Outside the Agency

On January 27, 2015, the Commission published a notice in the Federal Register (80 FR 4320) soliciting comments on the proposed information collection for 60 days. The Commission received no comments.

9. Payment or Gift to Respondents

There are no gifts or payments to respondents.

10. Assurance of Confidentiality

The provision of the information on the part of interested vendors is voluntary and is for basic business profile data that does not require any assurances of confidentiality.

11. Sensitive Questions

No questions will be asked that are of a personal or sensitive nature.

12. Estimate of Respondent Reporting Burden

The Commission anticipates that the burdens imposed by the Database may vary slightly depending on the amount of information the company elects to provide. This is a one-time, initial burden. With that in mind, the Commission estimates the burdens as follows:

Estimated number of annual responses = 500

Estimated annual reporting burden = 250 hours (30 minutes per submission)

For respondents, assuming an annual income of \$43,000 (approximate per capita income in the U.S) and total labor of 2,080 hours per year, the hourly rate would be \$20.70. The Commission estimates it will take a 30 minute session to complete the form, and therefore the estimated cost per respondent to complete the form would be approximately \$10.30. Assuming 500 suppliers complete and submit this form, the total cost would be \$5,150. This is a one-time cost, as the

form will be submitted just once. There are no significant subsequent costs associated with this information collection.

13. Estimate of Total Annualized Cost Burden

There are no costs associated with this information collection.

14. Estimate of Cost to Federal Government

The estimated annualized cost to the government, that includes contract cost, design, development and operations over the three-year term of approval being sought, is approximately \$233,333. The initial cost for design, development and implementation is \$450,000 and the maintenance and operations in the out-years is approximately \$125,000. This estimate is solely for purposes of the Paperwork Reduction Act.

15. Explanation of Changes in Burden

This is a new collection of information.

16. Information Collections Planned for Statistical Purposes

Not applicable. The information collected on individual suppliers is not used for tabulation, statistical analysis or publication. The Commission is required to provide a report to Congress annually regarding contract awards and total amounts paid to suppliers that have been identified as minority-owned and/or women-owned businesses. While the report to Congress is made public, individual business information supplied by contractors is not published.

17. Display of OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form for design and IT project scheduling reasons. The OMB control number will be displayed

18. Exceptions to Certification

This collection complies with the requirements in 5 CFR 1320.9.