

SUPPORTING STATEMENT - PART A

Exchange Personal Identity Verification of Contractor/Vendor Personnel (0702-XXXX)

A. JUSTIFICATION

1. Need for the Information Collection

The Secretary of Defense has vested in the Secretary of the Army and the Secretary of the Air Force all functions, powers, and duties relating to Exchange activities within their respective military departments. This authority is held jointly and equally. Army Regulation 215-8/Air Force Instruction 34-211(I), "Army and Air Force Exchange Service Operations", in accordance with Title 10, U.S.C. §3013, "Secretary of the Army" and §8013, "Secretary of the Air Force", charges the Army and Air Force Exchange Service (Exchange) with the dual and enduring mission of providing quality merchandise and services to its customers at competitively low prices and of generating earnings which provide a dividend to support family, morale, welfare and recreation (FMWR) programs.

The authority and procedures which govern the security investigations and clearances of assigned Exchange contractors and vendors include AR 380-37, "Personnel Security Program;" AFI 31-501, "Personnel Security Management;" DoD 5200.2-R, "DoD Personnel Security Program (ESP);" Air Force Instruction 31-401, "Information Security Program." Exchange security procedures are in compliance with United States Presidential Executive Order 13526, "Classified National Security" United States Presidential Executive Order 10450 "Security Requirements for Government Employment", and United States Presidential Executive Order 9397, "SSN". The Exchange Chief Executive Officer (CEO) has the authority to identify security clearance jurisdiction over the Headquarters of the Exchange and its subordinate activities.

The retail mission of the Exchange requires timely delivery of products and services to military service members with the assistance of vendors and contractors. Information collected is done so to facilitate the initiation, investigation, and adjudication of information relative to DoD security clearance for these contractors and vendors.

After an Exchange contract has been awarded, prior to performing or conducting any approved contractual work on any federal installation, the contractor/vendor shall comply with the local installation's personal identity verification procedures, which implements Homeland Security Presidential Directive (HSPD)-12;
<http://www.dhs.gov/homeland-security-presidential-directive-12>.

2. Use of the Information

When an Exchange facility is located on a military installation, contractors/vendors must be able to obtain a Common Access Card (CAC). Methods to gain access to installations vary from location to location. If the contractor/vendor employee is to work at only one site, he/she must follow local installation guidelines and directives concerning identification, access and security requirements. It is the contractor's/vendor's responsibility to seek guidance from the Exchange Services Business Manager (SBM) or General Manager (GM) concerning these issues. When an Exchange contractor/vendor or their employees will have access to sensitive data, or go to multiple Department of Defense (DoD) facilities, or have access to multiple non-DoD Federal facilities on a reoccurring basis for a period of six months or more in the Continental United States (CONUS) or Outside the Continental United States (OCONUS), they must obtain a CAC.

The Exchange Headquarters (HQ), Director of Staff-Force Protections (EG-FP) must approve and authorize access for all contractors/vendors for all Exchange locations before a CAC is issued.

At the present time, the Exchange requires all contractor or vendor to complete the following three forms: Exchange Form 3900-002 – “Trusted Associate Sponsorship Systems (TASS)”, Exchange Form 3900-006 – “Background Check for Vendors/Contractors” and Exchange Form 3900-013- e-QIP Request Form”. Because these forms collect similar information, which increases the individual's time to complete, the Exchange Force Protection (FP) and Information Technology (IT) have created a project to address combining data from all three forms into a single form. The project involves the creation of a web-based system/program in which the individual only needs to provide information one time; thus decreasing burden. The upgrade project's first stage of testing is anticipated to be completed the middle of September 2016 and should be fully operational within the next year.

In order to obtain approval from the Director of EG-FP, the contractor/vendor must complete and return a security package. This package assists the Director with verification and background investigations and includes the forms addressed in this statement. The Exchange SBM or Contracting Official provides guidance to the contractor/vendor in what this package should contain, which sections of the forms to complete, what supportive documents to attach, and provides them directions on where to obtain the collection documents. In addition, the contractor/vendor personnel may be directed to the Exchange web-link <http://www.aafes.com/Images/doingbusiness/authorization.pdf> to locate details on submitting their package and obtain certain collection forms.

If the contractor/vendor is or plans to be within the Dallas/Ft. Worth (DFW) area, a schedule time can be set up with EG-FP to complete the verification process. The contractor/vendor would contact EG-FP by phone to set up this meeting. The security

package may be delivered to the Director during this meeting. Should the contractor/vendor not be able to personally appear at the HQ location, the security package must be submitted through e-mail, faxed or mailed to the attention of EG-FP. The finalized security package must be submitted to the Director of EG-FP no less than 30 days in advance of applying for a CAC.

In order to be granted authorization for the CAC card, the contractor/vendor must complete the Trusted Associate Sponsorship System (TASS) Exchange Form 3900-002 "TASS Request Form." This form is available to the contractor/vendor through their SBM or Contract Official and the completed form is included in the contractor/vendor security package. Information collected on this form is used by an Exchange Trusted TASS Agent (or government sponsor) for input into the electronic TASS system owned and controlled by the Defense Manpower Data Center (DMDC), previously referred to as the Contractor Verification System (CVS). Input into this system allows the contractor/vendor to be sponsored in the Defense Enrollment and Eligibility Reporting System (DEERS). Form 3900-002 collects the contractor's/vendor's name, phone number, date of birth, Social Security Number (SSN), e-mail address, contract number and contract ending date, and the Exchange Point of Contact. In addition, this form is also used by EG-FP as a check list for verification in Joint Personnel Adjudication System (JPAS), TASS, background and e-QIP.

The contractor/vendor must also complete Form 3900-006, "Background Check for Vendors/Contractors." Form 3900-006 must be completed prior to the meeting with EG-FP or must be included within the contractor/vendor submission of the security package. Form 3900-006 is currently available to the contractor/vendor through the Exchange Business Manager, the Contracting Official, or by printing from the website <http://www.aafes.com/Images/doingbusiness/backgroundcheck.pdf>. (The web-based version of the form that appears on the Exchange website will be up updated to include the ADN, Privacy Act, and Instructions. A draft copy of the proposed updated form is provided). Form 3900-006 collects personal information such as name, social security number, driver's license number, phone number, e-mail address, mobile number, gender, address, date of birth, place of birth, state of birth, county of birth, physical characteristics such as hair and eye color, height and weight and county of citizenship. Information is also collected on the vehicle driven by the contractor/vendor including the make, model, color, license plate number, and state of issuance. The name of the business and business phone number is also included on this form.

Exchange Form 3900-013, "e-QIP Request Form" is also included in the contractor/vendor package and is available through the SBM or Contracting Official. This form collects the contractor's/vendor's name, gender, data of birth, SSN, place of birth, work location, region, position title, phone number, e-mail address, past military or Exchange location, and supervisor's names along with their phone number and e-mail address.

Exchange Form 3900-013 is also used by individuals who are applying for sale positions with the Exchange. Sections I and II of the form are completed for this

purpose. The Exchange upholds Alcohol Tobacco and Firearms (ATF), corporate and installation regulatory compliance of inherently dangerous inventory while safeguarding the community. The Exchange's Firearms Sales Program emphasizes compliance perfection to prevent federal, state and installation incidents and investigations. Support and participation by management and associates at all levels are required to make this program successful. To adhere to this commitment, individuals applying for authorized Exchange positions involving the approved sale of firearms and ammunition must check a "yes" or "no" response in the applicable block in Section II of the Exchange Form 3900-013. The "yes" or "no" collection is used to prioritize the sequence of how background investigations are completed. Additionally, the current question "Is your job associated with Firearms" will be replaced on the new form with "Are you applying for an Exchange position to sell Firearms & Ammunition."

Exchange Form 3900-013 is used internally by EG-FP to complete the verification and background process for the contractor/vendor and Exchange applicants. EG-FP will verify information submitted on all the above forms using JPAS and TASS. After approval through TASS, EG-FP will issue and deliver, either by hand or mail delivery, an official Exchange letter stating that the contractor/vendor has been adjudicated. The contractor/vendor will then be directed to the nearest military installation for CAC issuance. If the contractor/vendor is at the Exchange HQ, EG-FP will direct them to the Exchange Human Resource Center to obtain a CAC.

Information collected is maintained in paper format and not downloaded into an Exchange System of Records.

3. Use of Information Technology

The Exchange encourages respondents to utilize technology to the fullest extent possible in order to reduce burden on the public. However, because the forms require a witnessed signature and hard copy certification there is currently no means to submit them electronically. The percentage of responses collected electronically is zero.

The forthcoming FP and IT web-based project as described in section 2 above will streamline the submission process into a single electronic form, thereby eliminating redundancies and decreasing burden. This project is expected to be completed and fully operational by January 2017.

4. Non-Duplication

This specific information is not available from other sources as it is collected only at the time of submission.

5. Burden on Small Business

The information collected on the series of forms is the minimum necessary for the Exchange to conduct personal identification verification and background checks to

ensure the security of buildings and resources. Burden on small businesses cannot be further reduced without endangering the United States common defense and national security. The Exchange staff estimates that 100% of the responses come from small businesses.

6. Less Frequent Collection

Information is voluntarily provided for security/background checks for the purposes addressed in this statement. Collection is completed on occasion at the time when a contractor or vendor desires to obtain a business relationship with the Exchange and/or is chosen as the winner of a contract. Less frequent collection is not possible.

7. Paperwork Reduction Act Guidelines

No special circumstances exist that require collection to be conducted in a manner inconsistent with the guidelines delineated in Title 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

a. A notice of the proposed collection was published in the Federal Register on September 11, 2015, 80 FRN 54773. No comments were received.

b. Significant input and information was received from the Exchange Force Security directorate in relation to the continued use and burden relative to collection of information for this system of records. It was determined that the information is only maintained in one place, kept in paper format, and used accordingly as outlined in section 2 of this statement.

9. Gifts or Payment

No payments or gifts are offered to the respondents.

10. Confidentiality

Personal data information is securely collected, stored and managed in accordance with the Exchange System of Records Notice (SORN) AAFES 1703.03, entitled "Personal Security Case Files." Individuals providing information are informed verbally, and through the Privacy Act Statement on the form(s) that the information they choose to provide is voluntary on their part. They are also informed of the routine uses of disclosure at the time of submitting their personal information. Failure to provide information may result in denial of obtaining a Common Access Card (CAC) and refusal to access DoD Installations, buildings, facilities, systems, or networks. The information is protected under the Privacy Act of 1974, as amended.

Access to information collected is restricted. Use of records is limited to person(s) who are properly screened/cleared for access, have an official "need to

know,” and have responsibility for servicing records in performance of their official duties. Physical entry is restricted by the use of locks, guards, and passwords which are changed periodically or other administrative procedures such as audits of security features.

Disclosure of respondent information is made upon submission of the individuals' original, notarized, written request for documents either disclosed to themselves or to a third party representative. Records may be disclosed outside of DoD pursuant to Title 5 U.S.C. §552a(b)(3) regarding DOD “Blanket Routine Use” published at <http://dpcl.d.defense.gov/Privacy/SORNsIndex/BlanketRoutineUses.aspx>. This may include disclosures to Federal agencies based on formal accreditation as specified in official directives; regulations; to Federal, State, local, and foreign law enforcement, intelligence, or security agencies in connection with a lawful investigation under their jurisdiction.

A Privacy Impact Assessment (PIA) does not apply to this collection of information. The Exchange does not currently collect or store information electronically. Records are maintained in the Exchange Force Protection directorate under lock and key and only available to Force Protective associates with a need to know. Consistent with the General Records Schedule 18, “Security and Protective Service Records” (NC1-GRS-18, Item 22a), security files for contractors and vendors are destroyed by shredding five years after their contract relationship with the Exchange expires

11. Sensitive Questions

Respondents may be asked to provide Social Security Number (SSN), date of birth, gender, nationality, color or hair and eyes, and weight. Collection of social security number is authorized under DoDI 1000.30 “SSN Instruction Use Case” Enclosure 2 sections 2.c.(2), (3), (4), (4), (8) and (9) as represented on the SSN collection memoranda.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

The average annual burden estimate for reporting and recordkeeping requirements were derived from estimates from the Force Protection directorate based upon the history of obtaining requests for facility access from contractors and vendors. The Exchange collects approximately 2,300 requests from individuals annually each containing the three forms addressed in item number 2 of this statement. According to the Exchange Force Protection, an individual completes all the necessary forms within a time period of 2 hours.

- Number of Annual Respondents = 2,300
- Number of Responses per Respondent = 1
- Number of Annual Responses = 2,300

- Response Time per Response = 120 minutes
- Information Frequency = on occasion
- Total Respondent Annual Burden Hours = 4,600

b. Labor Cost of Respondent Burden

Each respondent is estimated to spend about 120 minutes of time completing Form 3900-002, 3900-006 and 3900-013. Using the United States Department of Labor Wage and Hour Division's Federal Minimum wage of \$7.25/hour (July 24, 2009; <http://www.dol.gov/dol/topic/wages/minimumwage.htm>), it is estimated the annual total labor cost to respondents is \$33,350.

- Number of Annual Respondents = 2,300
- Number of Responses per Respondent = 1
- Number of Annual Responses = 2,300
- Response Time = 120 Minutes
- Avg. Labor Cost per Response based upon current Federal minimum wage = \$14.50
- Information Frequency = On occasion
- Total Respondent Labor Cost = \$33,350

13. Respondent Costs Other Than Burden Hour Costs

In accordance with HSPD-12 and Doing Business with AAFES, contractors/vendors who elect to mail their security package to EG-FP would be responsible to pay applicable postage fees. In most cases the vendor/contractor will incur the cost of postage for 1st class mail (\$0.49) or the cost of overnight mail services (\$10.00). The Exchange does not track the number or the amount of packages received by mail.

14. Cost to the Federal Government

The estimated costs for the required recordkeeping and reporting activities were derived from consultations with the Exchange Force Protection Directorate. It is estimated the Exchange utilizes five associates to collect and maintain information associated with security clearance at an average salary of \$22.00 per hour. (NAF Wage Schedule – 152 Dallas, TX Effective 04 Jan 2014; <http://www.cpms.osd.mil/subpage/nafwageschedules/>.) It takes approximately 30 minutes for the associate to obtain the information and check it against the JPAS and TASS.

- 5 = Number of personnel who dedicate time to collecting/processing information collected from the respondent.
- 2,330 = Number of annual responses.
- 30 Minutes (.50) = Time in hours per response to collect/process the information collected; including time for refining, interpreting, analyzing and documenting the information received.

- \$22.00 = Average salary of the individuals who collect and process the information collected.
- 2,300 (Annual Responses x .50 (Time to Respond) = 1,150 (Annual Burden Hours)
- \$11.00 = Average cost per response.
- 1,150 (Annual Burden Hours) x 22.00 (Hourly Pay) = \$25,300 (Annual burden cost).

This is an existing system of records. Start-up costs cannot be estimated. Maintenance to this system includes an average salary of Exchange Force Protection associates, the burden cost to the Exchange, and the overhead to maintain paper files. The maintenance fee was determined from consultations with the Exchange EG-FP team who manages the system.

- Annual cost to the federal government:
\$25,300 (Burden) + \$10,000 (File Maintenance) = \$35,300 (Burden based on hourly rate; NAF Wage Schedule – 152 Dallas, TX Effective 04 Jan 2014.)

15. Reasons for Change in Burden

This is an existing collection in use without an OMB Control Number.

16. Publication of Results

There are no plans to publish the results of this collection.

17. Non-Display of OMB Expiration Date

There is no request for approval to omit the display of the expiration date of the OMB approval on the instrument.

18. Exceptions to “Certification for Paperwork reduction Submissions”

There are no exceptions.