

SUPPORTING STATEMENT
National Credit Union Administration

Contractor's Diversity Profile
OMB No. 3133-NEW

A. JUSTIFICATION

1. Circumstances necessitating the collection of information.

In January 2011, NCUA created the Office of Minority and Women Inclusion (OMWI), per the requirements of Section 342 of the Dodd-Frank Act (the "Act"). As part of its mission, the OMWI "implements standards and procedures to ensure, to the maximum extent possible, the fair inclusion and utilization of minorities, women, and minority-owned and women-owned businesses in all business activities of the agency".

Paragraph (c) (2) of the Act (Contracts) states the OMWI shall have procedures that "include a written statement, in a form and with such content as the [OMWI] Director shall prescribe, that a contractor shall ensure, to the maximum extent possible, the fair inclusion of women and minorities in the workforce of the contractor and, as applicable, subcontractors."

Section 342(c)(3)(A) (Determination) states that "The standards and procedures developed and implemented under this subsection shall include a procedure for the Director to make a determination whether an agency contractor, and , as applicable, a subcontractor has failed to make a good faith effort to include minorities and women in their workforce."

In order to meet the requirements of this section, NCUA must collect sufficient relevant information related to an agency contractor's, and, as applicable, a subcontractor's good faith efforts to include minorities and women in their workforce.

2. Method of collection and use of data.

In order to ensure, to the maximum extent possible, the fair inclusions of minorities and women in the workforce of NCUA contracts, and as applicable, subcontractors, each new contract award whose dollar value exceeds \$100,000 (NCUA's Simplified Acquisition Threshold) will include a Good Faith Effort (GFE) Certification. This certification is included in the solicitation package and returned to NCUA as part the contractor's proposal, with the understanding that the contractor maybe required to provide documentation in support of certification.

NCUA reviews the purchase requisitions to ensure affected contractors have a valid GFE Certification signed within the 12 months prior to a GFE Contractor's review.

Contractors will be reviewed on their compliance with the clauses of the NCUA GFE Certification on a 2-year cycle. As part of this compliance review, selected contractors will be sent a Contractor Diversity Profile to provide documentation outlined in the GFE certification to NCUA. The contractor would provide current information on their diversity strategy, policies, recruitment, planning and outreach; and may be required to provide supporting documentation. The completed Profile is returned to NCUA 15 days after receipt by the contractor.

3. Use of improved information technology.

Although this collection is completed in manual, paper form, contractors can submit information electronically via email. The use of this electronic format significantly reduces the burden to vendors by avoiding having to print, manually complete, and then fax or email the form.

4. Efforts to identity duplication.

NCUA's plan to meet the good faith efforts determination requirement will focus solely on contractors and subcontractors that meet the following requirements:

- a. Perform on any single contract that exceeds the agency's simplified acquisition threshold (i.e., \$100,000), and;
- b. Have 50 or more employees.

NCUA's purpose in focusing on contractors and subcontractors meeting this requirement is to reduce the administrative burden. Contractors and subcontractors meeting these requirements are already subject to recordkeeping and reporting requirements to demonstrate they have made good faith efforts to remove identified barriers, expand employment opportunities, and produce measurable results (EO 11246, 41 CFR 60-1.7), and to develop and maintain a written program, which describes the policies, practices, and procedures that the contractor uses to ensure that applicants and employees receive equal opportunities for employment and advancement (41 CFR part 60-2). In lieu of developing a separate workforce inclusion plan, a contractor would be permitted to submit its existing written program (e.g., affirmative action plan or AAP) prescribed by the EO 11246 regulations as part of the documentation that demonstrates the contractor's good faith efforts to ensure fair inclusion of minorities and women in its workforce.

5. Efforts to minimize burden on small businesses or other small entities.

As stated in response to question 4, NCUA is eliminating the burden on small businesses by limiting its GFE determination solely to firms already required to submit and practice affirmative action plans.

6. Consequences if the collection is not conducted or is conducted less frequently.

NCUA would not be able to capture the type of information that Congress is requiring under the Dodd-Frank Act. Per Section 342 of Dodd-Frank, NCUA needs to be able to make a determination whether the contractor and subcontractor has made good faith efforts to make minorities and women part of their workforce.

7. Special circumstances that would cause an informational collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2).

The collection of information is conducted in a manner consistent with guidelines of 5 CFR 1320.5(d)(2).

8. Consultation with individuals outside of the agency.

A 60-day notice was published in the *Federal Register* on August 29, 2016, at 81 FR 59248 soliciting comments from the public. No public comments were received.

9. Payment or gift to respondents.

There is no decision to provide any payment or gift to respondents.

10. Assurance of confidentiality.

There is no assurance of confidentiality other than that provided by law.

11. Questions of a sensitive nature.

There are no questions of a sensitive nature. No personally identifiable information (PII) is collected.

12. Estimates of hour burden of the collection of information.

Based on NCUA's recent experience, the agency projects that no more than 60 vendors will annually submit the GFE Certification. Historically, NCUA has between 60 – 70 individual contracts that exceed the simplified acquisition threshold. Of these, fewer than 50 vendors will have more than 50 employees, which constitutes the target audience that will be required to submit information for the GFE determination.

The time estimated to complete the form is approximately 45 minutes. Since the information that is requested is required by federal procurement regulation and readily available to the vendor/respondent, the hourly burden should be the same and consistent across the vast majority of the vendors.

# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Annual Burden
50	1	50	0.75	37.5

Assuming an individual's annual income of \$47,230 (approximate per capita income in the U.S as of May 2014) and total labor of 2,080 hours per year, the hourly rate would be \$22.70. A forty-five-minute session to complete the form and assemble the corresponding documentation (which should be readily available to the applicable firms) constitutes 3/4 of an hour. As such, the cost per individual to complete the form would be approximately \$17.03. Assuming 50 vendors complete and submit this form, the total cost to respondents would be \$851.25.

13. Estimate of the total capital and start-up costs component and cost of operations, maintenance and purchase of services.

There are no capital/start-up or ongoing operations/maintenance costs associated with this information collection.

14. Estimates of annualized cost to the Federal Government.

The OMWI staff will review each profile for compliance. It is estimated that the Director, OMWI, and a senior analyst will utilize 2 hours per review, at an average NCUA rate of \$80 per hour, for an estimated cost of \$160 per review. Estimated annualized cost to the Federal government is \$8,000.

15. Reasons for change in burden.

This is a new collection of information.

16. Plans for tabulation, statistical analysis and publication.

There are no plans for publication of individual vendor results. NCUA is required to provide a report to Congress regarding the total amounts paid to firms that have been identified as minority-owned and women-owned. This report to Congress is made public; however, the individual vendor information provided by NCUA vendors is not published.

17. Request not to display expiration date of OMB control number.

The display of the OMB expiration date may cause confusion on the date the information is needed by the agency. Non-display is requested.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.