

**SUPPORTING STATEMENT  
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION  
SUBMISSION**

**“Supplier Diversity Business Management System”  
OMB Control No. 3235-0724**

**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 developed and maintains an 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 allows the Commission to update and more effectively manage its current internal repository of diverse suppliers. Further, the information in the System allows 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 information collection is to allow diverse suppliers interested in doing business with the Commission, including minority-owned and women-owned businesses, to provide certain pertinent business information. This business information allows 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 manages and tracks all business information, communication and collateral documentation associated with each registered supplier.

**3. Consideration Given to Information Technology**

Information is collected in the System via e-filed, dynamic form-based technology. The System allows suppliers to self-register using a secure web portal that is accessible through a hyperlink on the Commission’s public website, [www.sec.gov/omwi/supplier-outreach](http://www.sec.gov/omwi/supplier-outreach). The form also is accessible via a web-link

generated and emailed to the suppliers by the System. The company point of contact completes a profile consisting of basic contact data and information on the capabilities of the business. The profile includes a series of questions, some of which are based on the data that the individual enters. Drop-down lists are 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 enables the agency to specifically target minority-owned and women-owned suppliers, and gauge its outreach efforts related to those businesses. The collection also allows suppliers to provide specific information on capabilities that specifically meet the Commission's contracting needs. Taken together, this allows 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 contracting needs.

**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 absence of a centralized electronic repository for basic business information would create inefficiencies for staff who utilize the captured information to deliver appropriate program services, and track and report on program activities.

**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 February 2, 2018, the Commission published a notice in the Federal Register (83 FR 4936) 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 System 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 = 300**

**Estimated annual reporting burden = 150 hours (30 minutes per submission)**

For respondents, assuming an annual income of \$44,720 (approximate per capita income in the U.S.) and total labor of 2,080 hours per year, the hourly rate would be \$21.50. 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 \$10.75. Assuming 300 suppliers complete and submit this form, the total cost would be \$3,225. 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 annual maintenance and operations of the System is approximately \$170,000. This estimate is solely for purposes of the Paperwork Reduction Act.

**15. Explanation of Changes in Burden**

The changes in the estimated burden are due to an adjustment in the number of estimated respondents from 500 to 300 respondents per year, based on the actual response

rate for the past two years and anticipated increase in that response rate with the posting of a hyperlink to the System on the Commission's public website to allow self-registration. This reduction in the number of respondents has resulted in a 100-hour reduction in the total burden estimate.

**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. Approval to Omit OMB Expiration Date**

The Commission is not seeking to approval to omit the expiration date.

**18. Exceptions to Certification**

This collection complies with the requirements in 5 CFR 1320.9.

**B. Collections of Information Employing Statistical Methods.**

Not applicable. This collection of information does not involve statistical methods.