

SUPPORTING STATEMENT
EPA INFORMATION COLLECTION REQUEST (ICR) 2159.07
“BACKGROUND CHECKS FOR CONTRACTOR EMPLOYEES (RENEWAL)”

1. Identification of the Information Collection

(a) Title of the Information Collection

“Background Checks for Contractor Employees (Renewal),” EPA information collection request (ICR) Number 2159.07, OMB Control Number 2030-0043.

(b) Short Characterization/Abstract

The Environmental Protection Agency (EPA) requires background checks for specified contractor employees working in sensitive locations or sensitive projects who are not otherwise covered by a background check in accordance with Homeland Security Presidential Directive-12 ([HSPD-12](#)). 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 information is collected for 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.

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 on 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 any 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 without a background check.

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

A [notice](#) to renew this information collection was posted to the [Federal Register](#) on February 13, 2018. Two comments were received that were not relevant to this collection.

(c) Consultations

To determine contractor burden associated with the information collection identified in this request, the following vendors were contacted. Estimated time to complete the information collection is described in Section 6, *Estimating the Burden and Cost of the Collection*.

<u>Representative</u>	<u>Firm</u>	<u>Phone</u>
Lisa Friday	Weston Solutions	(610) 701-3157
Eric Simpson	Sovereign Consulting	(508) 339-3200
Joe Baer	Tech Law	(304) 230-1230

(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

This ICR does not exceed any of the OMB guidelines found [5 CFR 1320.5\(d\)\(2\)](#).

(f) Confidentiality

The EPA will neither collect contractor employee information nor maintain it. The EPA 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 division director of the Office of Acquisition Management (OAM) Headquarters Procurement Operations Division (HPOD). The information submitted to HPOD is maintained and protected in accordance with Privacy Act requirements.

(g) Sensitive Questions

No questions concerning sexual behavior or attitudes, religious beliefs, or other matters usually considered private are included in this information collection.

4. The Respondents and the Information Received

(a) Respondents/North American Industry Classification System Codes

Information is collected for employees of the contractors and subcontractors who perform work in sensitive sites or sensitive projects corresponding with the North American Industry Classification System (NAICS) code [562910](#) for *Remediation Services*.

(b) Information Requested

(i) Data items

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.

(ii) Respondent Activities

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 at sensitive sites have undergone a background check and have met the Government-established suitability criteria.

(b) Collection Methodology and Management

EPA background checks are done based on [HSPD-12](#) and current EPA policy states that individuals must not have a weapons offense in the last five years or a felony conviction in the last three years in order to be qualified to work at an EPA response site. At sensitive sites, the individual cannot have a weapons offense in the past ten years, a felony conviction in the last seven years, or a misdemeanor conviction in the last five years. Current EPA procedures allow for a waiver process if a contractor feels an individual is otherwise qualified and the nature of the conviction or misdemeanor does not pose a risk to the current work.

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. On a case-by-case basis, the Headquarters Procurement Operations Division (HPOD) Director 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 Performance Work Statement or Statement of Work, contractors must notify the HPOD Director. Contractors must maintain the records of their background checks and application of the Agency's suitability criteria, for as long as the employee is employed under the contract for which they were hired.

(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 so small businesses are not expected to experience financial difficulties in fulfilling these requirements. There are also 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		Labor Category	Burden Hours	Loaded Rate	Cost
Step	Collection Activity				
1.	Time to fill out information	Employee	0.25 hour	\$ 70.52	\$ 17.62
2.	Cost to perform Background Check (Third party/Subcontractor)		<i>flat rate</i>		\$ 75.00
3.	Review/apply suitability criteria	HR Manager	0.25 hour	\$176.95	\$ 44.24
4.	Submit notification	HR Manager	0.25 hour	\$176.95	\$ 44.24
5.	Maintain files	Admin. Support	<u>0.25 hour</u> 1 hour	<u>\$ 55.87</u>	<u>\$ 13.97</u>
Estimated Respondent Cost per Background Check					\$195.07

Step 1 of the information collection is completed by a contractor employee working at a sensitive site. On average, respondents stated this process normally takes the employee about 15 minutes to complete. The cost for Step 2, having a third party perform a background check, is based upon market research and input from the vendors surveyed. Vendors' costs for this activity ranged from \$25 to \$175. The cost varies depending on the number of background checks.

purchased per year, the parameters of the check, as well as the individual employee (for instance, a background check for an employee who has only lived in one state will be less than the cost for an employee who has lived in many places). The median price of the research performed is \$75 which is the figure used for the purpose of this ICR. Steps 3 and 4, reviewing suitability and notifying EPA, are performed by a human resource-type manager or a security manager responsible for personnel management. Administrative support personnel are responsible for completing step 5, which includes filing the background check in personnel records.

The cost associated with this effort was estimated using hourly rates based upon the [May 2016 National Occupational Employment and Wage Estimates](#) published by the U.S. Department of Labor's Bureau of Labor Statistics. The occupational categories used are Hazardous Materials Removal Workers, Human Resource Manager, and Office and Administrative Support.

Since the labor rates used in this estimate are from 2016, an escalation factor of 3% 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 to reflect industries' overhead, fringe benefits, and general and administrative costs for each year (2018-2020) that the ICR will be in effect. The 2.95 estimate was provided by an EPA cost analyst as representative of average labor related burdens experienced by EPA contractors. The loaded labor costs for 2018 through 2020 were added together 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:

Employee – Hazardous Materials Removal Worker:

2016 = \$21.88

2017 = (\$21.88 x 1.03) = \$22.54

2018 = (\$22.54 x 1.03) = \$23.21 x 2.95 = \$ 68.47

2019 = (\$23.21 x 1.03) = \$23.89 x 2.95 = \$ 70.49

2020 = (\$23.89 x 1.03) = \$24.61 x 2.95 = \$ 72.59

\$211.55/3 = \$70.52

Human Resource Manager:

2016 = \$54.88

2017 = (\$54.88 x 1.03) = \$56.53

2018 = (\$56.53 x 1.03) = \$58.22 x 2.95 = \$ 171.75

2019 = (\$58.22 x 1.03) = \$59.96 x 2.95 = \$ 176.90

2020 = (\$59.96 x 1.03) = \$61.75 x 2.95 = \$ 182.19

\$ 530.84/3 = \$176.95

Administrative Support:

2016 = \$17.33

2017 = (\$17.33 x 1.03) = \$17.85

$2018 = (\$17.85 \times 1.03) = \$18.38 \times 2.95 = \$54.24$
 $2019 = (\$18.38 \times 1.03) = \$18.93 \times 2.95 = \$55.85$
 $2020 = (\$18.93 \times 1.03) = \$19.49 \times 2.95 = \$57.52$
 $\quad \quad \quad \$167.61/3 = \55.87

(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.

<u>Step</u>	<u>Collection Activity</u>	Agency Burden Cost Estimate		
		<u>Labor Category</u>	<u>Burden Hours</u>	<u>Loaded Rate</u>
1. Ensure Compliance and document file		GS-13	0.25 hour	\$105.44 \$26.36
Estimated Agency cost per background check \$26.36				

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 performed by an employee at the GS-13 level and will take approximately fifteen minutes, which is about the same as previous years. The GS-13 hourly salary for 2018 with a locality pay for "Rest of US" is \$47.38, and a 3 percent escalation factor has been applied for any cost-of-living increases given to federal workers in 2019 or 2020. These wage rates were then multiplied by a factor of 2.16 to reflect Federal employee benefits. The 2.16 estimate was provided by an EPA cost analyst as representative of labor-related burdens for government employees. The loaded labor costs for 2018 thru 2020 were added together then divided by three (number of years for the ICR) for an annualized loaded rate of \$105.44 for the three years the ICR is in effect.

$2018 = \$47.38 \times 2.16 = \102.34
 $2019 = (\$47.38 \times 1.03) \times 2.16 = \105.41
 $2020 = (\$48.80 \times 1.03) \times 2.16 = \108.57

$$\$316.32/3 = \$105.44$$

(d) Estimating the Respondent Universe and Total Burden

Based on our research for this ICR, on average over the next three years approximately 3,000 existing respondents will be subject to the standard. No additional respondents per year will become subject.

The Agency estimated this number of employees by reviewing current contract databases, interviews with contractors and information received from the regions.

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 45 contracts which include a requirement for contractors to perform background checks on employees working at sensitive sites. The number of employees with background checks for each contract ranges from 5-350 per year, not counting subcontracts. Many contracts require employees to be prepared to report to work locations with no notice. 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 are not limited to, maintenance of anti-terrorism equipment warehouses, water systems, environmental information, private laboratories working on genetically modified herbicides and pathogens, and law enforcement activities.

The number of employees needed at each sensitive site varies depending on the size and nature of the cleanup. Therefore, it is very difficult to ascertain the exact number of employees on which background checks are being performed. The estimate of 1,000 represents our best estimate given current information.

(e) Bottom Line Burden Hours and Costs

(i) Respondent Tally

The annual respondent burden for this ICR is 1,000 hours at an estimated cost of \$195,070. The hours were calculated by multiplying the number of hours per occurrence, which is one, by the number of annual occurrences, 1,000. The cost was calculated by multiplying the respondent burden cost of \$195.07 per background check by the number of annual occurrences, 1,000. The estimated respondent cost over the life of the three-year ICR is \$585,210 (\$195,070 x 3). The previous estimate for annual respondent cost was \$190,900 per year.

(ii) The Agency Tally

The annual Agency burden and cost over the next three years is estimated to be 250 hours. This is calculated by multiplying the estimated burden hours per background check, which is 0.25, by the number of annual occurrences, 1,000 to arrive at 250 hours.

The total annual Agency cost for this collection request is estimated at \$26,360. This amount is calculated by multiplying the number of hours, 250, by the contracting officer's loaded rate of \$105.44 per hour. The estimated Agency cost over the life of the three-year ICR is \$79,080.

(f) Reasons for Change in Burden

There is no change of hours in the total estimated respondent burden compared with the ICR currently approved by OMB. The loaded labor costs were adjusted upwards to account for inflation.

(g) Burden Statement

The annual public reporting and record keeping burden for this collection of information is estimated on average to be one 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 EPA Acquisition Regulation ([EPAAR 1501.370](#), *OMB Approvals Under the Paperwork Reduction Act*).

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 Number EPA-HQ-OARM-2017-0752, which is available for online viewing at www.regulations.gov, or in person viewing at the Office of Environmental Information in the EPA Docket Center (EPA/DC), EPA William Jefferson Clinton, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C. 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 is (202) 566-1752. An electronic version of the public docket is

available at www.regulations.gov. This site can be used 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. When in the system, select “search,” then key in the Docket ID Number identified above. You can also send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OARM-2017-0752 and OMB Control Number 2030-0043 in any correspondence.

Part B of the Supporting Statement

This part is not applicable because no statistical methods were used in collecting this information.