### **SUPPORTING STATEMENT**

**DEPARTMENT OF LABOR**

**OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

**RECORDKEEPING REQUIREMENTS—38 U.S.C. 4212, VIETNAM ERA VETERANS’ READJUSTMENT ASSISTANCE ACT of 1974, AS AMENDED**

**OMB CONTROL NUMBER 1250-0004**

# **A. JUSTIFICATION**

This request is for Office of Management and Budget (OMB) renewal of an existing information collection implementing the recordkeeping requirements of the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212 (VEVRAA). These requirements apply to both supply and service and construction federal contractors who meet the appropriate thresholds as identified below. OFCCP is not proposing to collect new information with this renewal.

VEVRAA and its implementing regulations establish the affirmative action and nondiscrimination obligations for covered contractors and subcontractors related to protected veterans. They define coverage, specify clauses to be included in contracts, address evaluation procedures to ensure compliance by covered contractors, specify recordkeeping requirements, establish a benchmark for veteran representation in the workforce, and outline the basic requirements for affirmative action programs (AAPs) under VEVRAA.

1. **Legal and Administrative Requirements**

The Office of Federal Contract Compliance Programs (OFCCP) is responsible for administering three equal opportunity laws that prohibit discrimination based on particular protected categories and require affirmative action to provide equal employment opportunities:

* Executive Order 11246, as amended (EO 11246),[[1]](#footnote-1)
* Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 793 (Section 503),[[2]](#footnote-2) and
* Vietnam Era Veterans’ Readjustment Assistance Act of 1974,[[3]](#footnote-3) as amended, 38 U.S.C. 4212, or VEVRAA.

EO 11246 requires affirmative action and prohibits covered federal contractors[[4]](#footnote-4) from discriminating against applicants and employees based on race, color, religion, sex, sexual orientation, gender identity, and national origin. EO 11246 also prohibits contractors from taking discriminatory actions, including firing, against applicants and employees for asking about or sharing their own compensation information and, in certain instances, the compensation information of their co-workers. EO 11246 applies to contractors holding a Government contract in excess of $10,000, or Government contracts that have, or can reasonably expect to have, an aggregate total value exceeding $10,000 in a 12-month period. EO 11246 also applies to Government bills of lading, depositories of Federal funds in any amount, and to financial institutions that are paying agents for U.S. Savings Bonds.

Section 503 prohibits employment discrimination against applicants and employees based on disability and requires contractors to take affirmative action to employ, advance in employment, and otherwise treat qualified individuals without discrimination based on physical or mental disabilities. Its requirements apply to contractors with a Government contract in excess of $15,000.[[5]](#footnote-5)

VEVRAA prohibits employment discrimination against protected veterans, namely disabled veterans, recently separated veterans, active duty wartime or campaign badge veterans, and Armed Forces service medal veterans, and requires contractors to take affirmative action to employ, advance in employment, and otherwise treat qualified individuals without discrimination based on their status as a protected veteran. Its requirements apply to contractors with a Government contract of $150,000 or more.[[6]](#footnote-6)

Consistent with the Administrative Procedure Act, OFCCP promulgated regulations implementing these programs under Title 41 of the Code of Federal Regulations (CFR) in Chapter 60. They are accessible on the Web at <https://www.ecfr.gov/cgi-bin/text-idx?SID=2fbe76ba1ebf6d4c076736e8f3a82dcd&mc=true&tpl=/ecfrbrowse/Title41/41cfrv1_02.tpl#6000>.

The reporting requirements under VEVRAA are not included in this information collection, but rather, are included in the Construction Recordkeeping and Reporting Requirements ICR (OMB Control Number 1250-0001) and the Supply and Service Program ICR (OMB Control Number 1250-0003).[[7]](#footnote-7)

Due to the pending expiration of OMB No. 1250-0004, OFCCP seeks reapproval of the following VEVRAA recordkeeping and third party disclosure requirements under 41 CFR 60 part 300.

Section 60-300.5 describes the equal opportunity clause in Federal contracts. Paragraphs 2 through 6 of the clause pertain to the mandatory job listing requirements. Each covered contractor must list job openings with the appropriate state or local employment service delivery system (ESDS) in a format permitted by the ESDS. Each covered contractor must also provide and update as necessary information to the appropriate ESDS. This information includes:

* status as a Federal contractor;
* that the contractor desires priority referrals of protected veterans from the ESDS;
* the name and location of each hiring location within the state; and
* the contact information for the contractor official responsible for hiring at each location as well as any external job search organizations the contractor uses to assist in its hiring.

Each contractor is required to include the EO clause in each of its subcontracts of $150,000 or more, although they may incorporate the clause by reference or operation.

Section 60-300.40 requires contractors with 50 or more employees and a contract of $150,000 or more to develop a VEVRAA AAP.

Section 60-300.42 requires contractors to invite job applicants at the pre-offer and post-offer stages to voluntarily self-identify as protected veterans. The invitations to self-identify must state that the contractor is required to take affirmative action to employ and advance in employment protected veterans, and that the information sought is being requested on a voluntary basis.

Section 60-300.44 identifies the required elements of an AAP, including those listed below.

* Develop and include an equal opportunity policy statement in the AAP.
* Review personnel processes to ensure they provide equal employment opportunity to qualified protected veterans.
* Review all physical and mental job qualification standards to ensure that, to the extent any tend to screen out qualified disabled veterans, those standards are job-related and consistent with business necessity.
* Provide reasonable accommodations for known physical and mental limitations.
* Develop and implement procedures to ensure that employees are not harassed because of their veteran status.
* Develop procedures and practices to disseminate affirmative action policies, both internally and externally, and undertake appropriate outreach and positive recruitment activities designed to effectively recruit protected veterans.
* Establish an audit and reporting system to measure, among other things, the effectiveness of the AAP.
* Designate a responsible official to implement and oversee the AAP.
* Provide training to all personnel involved in the recruitment, screening, selection, promotion, disciplinary, and related processes to ensure implementation of the commitments in the contractor's affirmative action program.
* Conduct data collection analysis pertaining to applicants and hires on an annual basis and maintain them for a period of three (3) years, including:

* the number of applicants who self-identified as protected veterans or who are otherwise known as protected veterans.
* the total number of job openings and total number of jobs filled;
* the total number of applicants for all jobs;
* the number of protected veteran applicants hired;
* the total number of applicants hired; and

Section 60-300.45 requires contractors to either adopt a hiring benchmark equal to the national percentage of veterans in the civilian labor force, or establish a hiring benchmark for protected veterans taking into account five factors specified in the regulation.

Section 60-300.60 identifies the investigative methods OFCCP uses to evaluate a contractor’s compliance with the agency’s regulations. These methods range from an in-depth comprehensive evaluation of the contractor’s employment practices (*i.e.*, compliance review) to a review restricted to one or more components of the contractor’s organization or employment practices (*i.e.*, focused review). OFCCP may conduct evaluations of compliance under VEVRAA separately or concurrently with evaluations of the contractor’s compliance under EO 11246 and Section 503.

1. **Use of Collected Material**

The EO Clause, located at section 60-300.5, requires contractors to list job openings with the appropriate state or local ESDS in a format permitted by the ESDS. The mandatory job listing requirement is a critical component to helping veterans find work with federal contractors. Providing the ESDS with the name and location of the contractor’s hiring locations and contact information enables the ESDS to develop a centralized list of federal contractors and ensures that they have appropriate contact information if there are any questions that need to be resolved in the job listing or priority referral process.

Section 60-300.42 outlines the requirements for contractors’ obligations to invite individuals to self-identify as a protected veteran. This process enables the contractor and OFCCP to collect valuable data needed to track the number of protected veterans who apply for open positions and the number who are hired. This allows for subsequent assessment of the effectiveness of the contractor’s recruitment and affirmative action efforts over time, and promotes successful recruitment and affirmative action.

Section 60-300.44 describes the required contents of a contractor’s AAP. Contractors maintain the AAP as a tool to ensure equal employment opportunity and to foster employment opportunities for protected veterans. During a compliance evaluation, OFCCP reviews the contractor’s AAP to determine whether the contractor is in compliance with its obligations.

Section 60-300.45 requires contractors to set a benchmark for hiring protected veterans either by using the national average for the number of veterans in the civilian labor force which OFCCP will provide (and periodically update) on its public website, or by setting a benchmark that fits the company’s specific needs. This requirement provides contractors and OFCCP with a yardstick by which they can objectively measure the effectiveness of equal employment opportunity efforts. Data collected through the voluntary self-identification process is a required factor for consideration for those contractors who elect to create a personalized benchmark.

1. **Use of Information Technology**

In general, under OFCCP regulations each contractor develops its own methods for collecting and maintaining information. Contractors have the option to use methods that best suit their needs as long as they can retrieve and provide OFCCP with data upon request during a compliance evaluation.

The majority of contractors are repeat contractors. Since they are subject to OFCCP’s regulatory requirements year after year, most have developed their information technology systems to generate the data required by OFCCP regulations.

Information technology systems used to comply with data requirements under OFCCP’s VEVRAA regulations should be capable of performing the below functions.

* Collecting and analyzing employment activity data related to VEVRAA
* Analyzing outreach and recruitment
* Tracking self-identification
* Disseminating internal and external EO policies
* Providing notice to subcontractors and vendors
* Facilitating calculation of VEVRAA benchmarks
* Auditing and reporting of AAP program elements

In addition, OFCCP provides compliance assistance to all contractors, including smaller contractors by leveraging information technology. For example, OFCCP’s website provides access to compliance resources and information, including the following.

* VEVRAA Contractor Resources

<https://www.dol.gov/ofccp/VEVRAA/index.html>

* Webinar training

<https://www.dol.gov/ofccp/regs/compliance/final_rules_webinars.htm>

* Sample AAPs

<http://www.dol.gov/ofccp/regs/compliance/AAPs/AAPs.htm>

* Contractors’ VEVRAA Hiring Benchmark Database

<https://ofccp.dol-esa.gov/errd/VEVRAA.jsp>

* Employment Resource Referral Directory

 <https://ofccp.dol-esa.gov/errd/index.html>

* Frequently Asked Questions

<https://www.dol.gov/ofccp/regs/compliance/faqs/VEVRAA_faq.htm>

OFCCP believes that advances in technology make contractor compliance with the recordkeeping and reporting requirements easier and less burdensome. However, in the absence of empirical data, OFCCP is unable to quantify the impact of improved information technology and thus, OFCCP does not include it in the calculation of burden hours.

According to the Government Paperwork Elimination Act (GPEA, P.L. 105-277, 1998), by October 2003, Government agencies must generally provide the option of using and accepting electronic documents and signatures, and electronic recordkeeping, where practicable. OFCCP fulfills its GPEA requirements by permitting contractors to submit AAPs and supporting documentation via e-mail or other electronic format.

1. **Description of Efforts to Identify Duplication**

The recordkeeping requirements contained in this request result exclusively from the implementation of VEVRAA. This authority uniquely empowers the Secretary of Labor, and by a Secretary’s Order, the OFCCP, to require the collection, analysis, and reporting of data and other information in connection with the enforcement of the law and regulations requiring Government contractors to take affirmative action to ensure equal employment opportunity. No duplication of effort exists because no other Government agency has these specific data collection requirements.

While contractors maintain other employment data in the normal course of business, affirmative action programs under VEVRAA are unique in that contractors create them specifically to meet the requirements of OFCCP regulations. This comprehensive document is not available from any other source. Therefore, no duplication of effort exists.

1. **Impact on Small Businesses**

OFCCP’s information collection does not have a significant economic impact on a substantial number of small entities. OFCCP minimizes the information collection and recordkeeping burden on a significant number of small businesses by exempting contractor establishments with fewer than 50 employees from the AAP requirement. However, once OFCCP’s authority covers one contractor’s establishment, all of its employees must be accounted for in an AAP whether or not each of the contractor’s establishments meet the minimum 50 employees threshold.[[8]](#footnote-8)

1. **Consequences of a Less Frequent Collection**

The requirements outlined in this ICR ensure that covered contractors meet their equal opportunity obligations to protected veterans. The nondiscrimination requirements of VEVRAA apply to all covered contractors. *See* 41 CFR 60-300.4. The requirement to prepare and maintain an AAP, the specific obligations of which are detailed at 41 CFR 60-300.44, apply to those contractors with a Government contract of $150,000 or more and 50 or more employees.

Less frequent collection of this information could compromise OFCCP’s enforcement of VEVRAA and its implementing regulations. OFCCP reviews contractor compliance through its compliance evaluation process. *See* 41 CFR 60-300.60. Accurate determination of compliance requires analysis of contractor actions taken and results obtained, by both OFCCP and the contractor. Additionally, the data collection frequency for this ICR mirrors that of OFCCP’s other programs, particularly the EO 11246 and Section 503 supply and service programs, as the agency generally conducts VEVRAA compliance evaluations in conjunction with those programs with the exception of some focused reviews.

Further, the older the data, the greater the chances are that more qualified workers are victims of discrimination and that the discrimination continues for a longer period. A consequence of such older data may be that the scope of the violation, resulting harm and the overall burden of contractor compliance are greater.

1. **Special Circumstances**

There are no special circumstances for the collection of this information.

1. **Consultation Outside the Agency**

On October 3, 2019, OFCCP published a 60-day notice in the *Federal Register* (84 FR 52897) inviting the public to submit comments on this proposed information collection. The agency received three comments, from an employer association, a contractor consultant organization, and a contractor consultant law firm. The employer association and the law firm specifically commented on the burden estimates, while the consultant organization raised a question regarding personnel activity definitions. The following provides a detailed summary of the comments and the agency’s responses.

Burden

OFCCP received two comments that addressed the burden, from the law firm and the employer association. One comment mentioned that OFCCP underestimated the time and cost of listing job openings with the state or local employment service delivery system. OFCCP estimates this process will take 25 minutes per vacancy to complete and converts that time into a monetized cost of labor using the hourly wage rate of civilian workers. While the commenter mentioned that their clients are paying tens of thousands of dollars for listing services, they did not provide alternative data that OFCCP could consider. The second comment mentioned that OFCCP underestimated the burden for the following requirements: invitation to self-identify; affirmative action programs; external dissemination of policy, outreach and positive recruitment; the audit and reporting system; data collection and analysis; hiring benchmark; listing of job openings; the applicant self-identification completion; and the notification to subcontractors. This commenter stated that it had surveyed its federal contractor constituents and provided alternative burden estimates for OFCCP to consider. However, the commenter did not provide data on the demographics of the federal contractor universe surveyed. OFCCP acknowledges that estimating the precise amount of time each company will take to engage in certain activities is difficult. The agency has always accounted for the fact that small contractors may not have the same human resources capabilities as large contractors. Therefore, all of the burden estimates are an average across establishments of varying sizes. Because OFCCP is unable to determine the demographics of the universe that the commenter surveyed, the burden estimates will remain unchanged.

Personnel Activity Definitions

As part of their comment, the contractor consultant organization requested that OFCCP publish additional guidance allowing contractors to use their own definitions for personnel activity terms. Specifically, they requested the agency allow contractors to self-define “job openings,” “applicants,” “hired,” and “jobs filled” the same way they define those terms for Executive Order 11246 compliance purposes. This issue was raised and answered in the previous renewal of this ICR. OFCCP therefore reiterates the distinction between employees “hired” and “jobs filled,” as explained in its existing FAQs. The number of those “hired” refers to those internal and external applicants selected for a position through a competitive process. “Jobs filled,” on the other hand, refers to all jobs the company filled by any means, be it through a competitive or non-competitive process. The company, therefore, should take into account jobs filled by both internal and external candidates who competed and were selected for a new position – those who were “hired” – as well as those positions that were filled via non-competitive placements, promotions, transfers, and reassignments. However, as part of its continuous development of guidance to assist contractors in meeting their obligations, OFCCP will consider further refining its FAQs on these definitions.

1. **Gifts or Payments**

OFCCP provides neither payments nor gifts to respondents.

1. **Confidentiality of Information**

OFCCP will treat records provided by the contractor as confidential to the maximum extent the information is exempt from public disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. 552. The agency will evaluate all information pursuant to the public inspection and disclosure provisions of FOIA, as well as DOL’s implementing regulations at 29 CFR Part 70. Following Executive Order 12600 and the agency’s FOIA disclosure regulations at 29 CFR Part 70, OFCCP will also notify the contractor in writing if its applicable records are subject to a FOIA request and will not make a decision to disclose the information until the contractor has the opportunity to submit objections to its release.

Additionally, OFCCP safeguards and protects personally identifiable information it receives from contractors to the extent allowable under the law in accordance with the Privacy Act of 1974, as amended (5 U.S.C. §552a).

1. **Questions of Sensitive Nature**

VEVRAA requires contractors to invite applicants to voluntarily self-identify as a protected veteran and indicate whether a reasonable accommodation is required. There are four categories of protected veteran, one of which is “disabled veteran.” However, the regulations do not require contractors to capture category-specific information on the self-identification forms, nor are applicants required to disclose any information regarding the nature of a disability.

This self-identification data is necessary to enable OFCCP to assess contractors’ compliance with VEVRAA and ensure that contractors are affording equal employment opportunity to protected veterans. The information will also enable contractors to assess their outreach efforts and recruitment of protected veterans. The invitation must state clearly that the submission of the requested information is voluntary, and that the data is collected and maintained strictly for affirmative action purposes and will otherwise be kept confidential. Race and sex data is not required under VEVRAA.

1. **Information Collection Hour Burden**

The public impact of this information collection is broken down into recordkeeping and third party disclosure burdens. As previously mentioned, the reporting requirements under VEVRAA are included in the Construction Recordkeeping and Reporting Requirements ICR (OMB Control Number 1250-0001) and the Supply and Service Program ICR (OMB Control Number 1250-0003), including reporting associated with compliance evaluations scheduled under 41 CFR 60-300.60.

The sections that follow outline the calculations of the burden[[9]](#footnote-9) based on the legal and administrative requirements covered in paragraph 1 of this supporting statement. OFCCP bases its calculations on the 117,819 contractor establishments subject to its regulatory requirements.[[10]](#footnote-10)

The total in combined recordkeeping and third party disclosure burden hours for this ICR (5,377,349) is less than the total number of hours approved in 2017 (5,427,933), as detailed in Sec. 15 below.

**Recordkeeping Burden**

Section 60-300.42 Invitation to self-identify

Sections 60-300.42(a) and 60-300.42(b) require contractors to extend a pre-offer and post-offer invitation to self-identify as a “protected veteran.” OFCCP estimates that contractors working at the company level will take 1.5 hours to review and retrieve existing sample invitations to self-identify, adopt the sample “as is” or make revisions to their existing form, save the invitation to self-identify and incorporate the document in the contractor’s application process. The estimated burden in this information collection applies to only new contractor parent companies, or 1 percent of the 24,147 contractor companies. The burden for this provision is 362 hours (241 new contractor companies × 1.5 hours = 362 hours).

OFCCP further estimates that it will take contractors 15 minutes to maintain self-identification forms. This time includes either manually storing the forms in a filing cabinet or saving them to an electronic database. The burden for this provision is 29,455 hours (117,819 contractor establishments × 15 minutes/60 = 29,455 hours).

Section 60-300.44 Required contents of the affirmative action program

OFCCP estimates that it takes existing contractors (99 percent of all contractor establishments), or 116,641, approximately 7.5 hours to document and maintain material evidence of annually updating a joint Section 503 and VEVRAA AAP. The burden for this requirement is 874,808 hours (116,641 contractor establishments × 7.5 hours = 874,808 hours).

OFCCP estimates that it takes new contractors (1 percent of all contractor establishments), or 1,178, approximately 18 hours to document and maintain material evidence of developing a joint Section 503 and VEVRAA affirmative action program. The burden for this provision is 21,204 hours (1,178 contractor establishments × 18 hours = 21,204 hours).

60-300.44(f) External dissemination of policy, outreach and positive recruitment

Section 60-300.44(f)(4) requires contractors to document all outreach activities it undertakes for protected veterans, and retain these documents for a period of 3 years. OFCCP estimates that it will take contractors 10 minutes (.17 hours) to retain the required documentation. Retaining these records means storing the records generated either electronically or in hardcopy, consistent with the contractor’s existing business practices for how to store records. The annual recordkeeping burden for this provision is 20,029 hours (117,819 contractor establishments × .17 hours = 20,029 hours).

Section 60-300.44(h) Audit and Reporting System

Section 60-300.44(h)(1)(vi) requires contractors to document the actions taken to meet the requirements of 60-300.44(h). OFCCP estimates that it will take contractors 10 minutes (.17 hours) to document compliance with this provision to create an audit and reporting system. Documentation may include, as an example, the standard operating procedure of the system including roles and responsibilities, and audit and reporting timeframes and lifecycles. The annual recordkeeping burden of this provision is 20,029 hours (117,819 contractor establishments × .17 hours = 20,029 hours).

Section 60-300.44(k) Data Collection and Analysis

Section 60-300(k) requires contractors to collect and analyze certain categories of data. OFCCP believes that most contractors have the capability to conduct the required calculations electronically. However, some companies may have to calculate this information manually. Therefore, OFCCP estimates that the average time to conduct the analysis and maintain the relevant documentation would be 1 hour 25 minutes (1.42 hours). Relevant documentation could include the report or other written documentation generated by the calculations that explain the methodology, the data used, and the findings and conclusions; the data used to conduct the calculations for subsequent validation of the results; and other material used by the contractor for the calculations. The recurring burden for this provision is 167,303 hours (117,819 contractor establishments × 1.42 hours = 167,303 hours).

Section 60-300.45 Benchmarks for Hiring

Section 60-300.45 requires the contractor to establish benchmarks in one of two ways. A contractor may use as its benchmark the national average number of veterans in the civilian labor force, which OFCCP will provide (and periodically update) on its public website. Or, alternatively, the contractor may establish its own individual benchmark using the five-factor method set forth in Section 60-300.45(b)(2)(i) – (v). OFCCP estimates that it will take contractors on average 10 minutes (.17 hours) to maintain material evidence of compliance with this provision. The burden of this provision would be 20,029 hours (117,819 establishments × .17 hours = 20,029 hours).

Section 60-300.81 Access to Records

Section 60-300.81 requires contractors who are the subject of a compliance evaluation or complaint investigation to specify all available record formats and allow OFCCP to select preferred record formats from those identified by the contractor during a compliance evaluation. Pursuant to 5 CFR 1320.4(a)(2), this information collection is excluded from the PRA requirements because it is related to an “administrative action, investigation, or audit involving an agency against specific individuals or entities.”

Total Recordkeeping Burden

|  |  |
| --- | --- |
| **Activity** | **Hours** |
| Pre-offer invitation to self-identify; 60-300.42(a) | 362 |
| Maintain self-ID forms; 60-300.42 | 29,455 |
| Annual update of AAP; 60-300.44 | 874,808 |
| Development of AAP; 60-300.44 | 21,204 |
| External dissemination of policy, outreach, and positive recruitment; 60-300.44(f) | 20,029 |
| Audit and reporting system; 60-300.44(h) | 20,029 |
| Data collection and analysis; 60-300.44(k) | 167,303 |
| Benchmarks for hiring; 60-300.45 | 20,029 |
| **Total** | **1,153,219** |

**Third Party Disclosure Burden**

Section 60-300.5 Equal Opportunity Clause

Paragraph 2 of the EO Clause requires contractors to list their job openings with the state or local ESDS. OFCCP estimates that gathering records and providing the job openings to the employment service will take 25 minutes (.42 hours) for approximately 15 vacancies per year. The burden is 742,260 hours (117,819 contractor establishments × 15 vacancies x .42 hours = 742,260 hours).

Paragraph 4 of the EO Clause requires contractors to provide the appropriate employment service with the name and location of each of the contractor’s hiring locations, a statement of its status as a federal contractor, the contact information for the hiring official at each location in the state, and a request for priority referrals of protected veterans. Paragraph 4 also requires contractors that use job search organizations to provide the employment service with the contact information for each job search organization. These requirements apply to new contractors, which OFCCP estimates to be 1 percent of all covered contractors or 1,178 contractor establishments. OFCCP estimates a total of 15 minutes (.25 hours) for a new contractor to ensure that its information is provided to the employment service. The annual burden for this provision is 295 hours (1,178 new contractor establishments × .25 hours = 295 hours). OFCCP further estimates that 25 percent of new contractors, or 295, will use outside job search organizations and incur an additional 5-minute (.08 hours) burden to notify the employment service of the contact information for its outside job search organizations. The annual burden for this provision is 24 hours (295 contractor establishments × .08 hours = 24 hours). The total burden is 319 hours (295 hours + 24 hours = 319 hours).

Section 60-300.42(a) – Pre-offer invitation to self-identify and Section 60-300.42(b) – Post-offer invitation to self-identify

Applicants for available positions with covered contractors will incur a burden when they choose to self-identify as a protected veteran at either the pre-offer or post-offer stage.  OFCCP estimates that there will be an average of 24 applicants per job vacancy for on average 15 vacancies per year.  OFCCP further estimates that it will take applicants approximately 5 minutes (.08 hours) to complete the form.  If every applicant decides to self-identify at either the pre-offer or post-offer stage, the burden for this provision is 3,393,187 hours (117,819 contractor establishments × 15 vacancies × 24 applicants × .08 hours = 3,393,187 hours).[[11]](#footnote-11)

Section 60-300.44(f)(1)(ii) requires contractors to send written notification of the company’s affirmative action program policies to subcontractors, vendors, and suppliers. OFCCP estimates that contractors will take 15 minutes (.25 hours) to prepare the notification and send it to subcontractors, vendors, and suppliers, and an additional 15 minutes (.25 hours) to update email address changes in the company’s email system. Likewise, the burden for any information technology assistance needed to send the written communication is estimated at 15 minutes (.25 hours). The burden for this request is 88,364 hours (117,819 contractor establishments × .75 hours = 88,364 hours).

Total Third Party Disclosure Burden

|  |  |
| --- | --- |
| **Activity** | **Hours** |
| EO Clause Paragraph 2; 60-300.5 | 742,260 |
| EO Clause Paragraph 4; 60-300.5 | 319 |
| Pre-offer invitation to self-identify; 60-300-42(a) | 3,393,187 |
| External dissemination of policy, outreach, and positive recruitment; 60-300.44(f) | 88,364 |
| **Total** | **4,224,130** |

**Total Recordkeeping, Reporting, and Third Party Disclosure Burden Hours**

The table below contains the summary of the total burden hours associated with this ICR, combining recordkeeping, reporting, and third party disclosure hours.

|  |  |
| --- | --- |
| Recordkeeping burden hours | 1,153,219 |
| Reporting burden hours  | 0 |
| Third party disclosure burden hours  | 4,224,130 |
| **Total hours** | **5,377,349** |

**Monetized Burden Cost**

OFCCP estimates that the total recordkeeping burden hours translate to approximately $81,624,841 in burden costs to contractors using data from the Bureau of Labor Statistics for employee compensation (1,153,219 hours x $70.78).[[12]](#footnote-12)

OFCCP estimates that the total third party disclosure burden hours for contractors translate to approximately $44,605,020 in burden costs to contractors using data from the Bureau of Labor Statistics for employee compensation (830,943 hours x $53.68).[[13]](#footnote-13)

OFCCP estimates that the total third party disclosure burden hours for non-contractors translate to approximately $182,146,278 in burden costs to contractors using data from the Bureau of Labor Statistics for employee compensation (3,393,187 hours x $53.68).

1. **Information Collection Cost Burden**

OFCCP estimates that contractors will have some operations and maintenance costs in addition to the burden calculated above.

60-300.42 Invitation to Self-Identify

OFCCP estimates that the contractor will have some operations and maintenance cost associated with the invitations to self-identify. The contractor must invite all applicants to self-identify at both the pre-offer and post-offer stage of the employment process. Given the increasingly widespread use of electronic applications, any contractor that uses such applications would not incur copy costs. However, to account for contractors who may still choose to use paper applications, OFCCP is including in this estimate printing and/or copying costs. Therefore, OFCCP estimates a single one-page form for both the pre- and post-offer invitation. Assuming 20 percent of all contractors will use a paper-based application system, and receive 24 applications for an average of 15 vacancies per establishment, the minimum estimated total cost to contractors will be $763,467 ((117,819 establishments × 20 percent) × 360 copies × $0.09 = $763,467).[[14]](#footnote-14)

1. **Cost to Federal Government**

OFCCP associates no unique federal costs with this information collection. OMB Control Numbers 1250-0001 and 1250-0003 currently include the annual costs of federal contractor compliance evaluations to ensure their compliance with the information collection requirements contained herein.

1. **Program Changes or Burden Adjustments**

OFCCP is requesting OMB approval of 5,377,349 burden hours. The 2017 clearance contained approval of 5,427,933 hours. This results in a decrease of 50,584 hours. The decrease is a result of a change to the methodology used to calculate the third party disclosure burden for self-identification.

A summary of the change in hours is below.

1. **Recordkeeping Burden Hours**

The previous submission included 1,141,872 hours. The current request is 1,153,219 hours for an adjustment increase of 11,347 hours. This increase is due to an increase in the contractor universe from 115,831 establishments to 117,819 contractor establishments.

1. **Third Party Disclosure Burden Hours**

The previous submission included 4,286,061 hours. The current request is 4,224,130 hours for an adjustment decrease of 61,931 hours. Despite the increase in the number of applicants who self-identify, the burden decreased because of a change to the methodology used to calculate the burden for completing the self-identification form.

1. **Monetized Burden Cost**

The previous submission included a monetized burden cost of $196,214,431.52. The current request is $308,376,139 for an adjustment increase of $112,161,707.48. This increase is the result of a department wide measure to include 46% fringe benefits in the wage rate.

1. **Other Burden Hours and Costs**

The previous submission included $667,186.56 in printing/copying costs. The current request estimates $763,467 for printing/copying. This is an adjustment increase of $96,280.44. This increase in printing/copying costs is a result of an increase in copying costs from $.08 per page to $.09 per page.

1. **Publication of Data for Statistical Use**

There will be no publication of statistical analysis related to this collection.

1. **Approval Not to Display the Expiration Date**

OFCCP is not seeking approval to not display the expiration date of this collection.

1. **Exceptions to the Certification Statement**

OFCCP is not seeking exceptions to the certification statement of this collection.

**B. STATISTICAL METHODS**

This information collection does not use statistical methods.

1. The regulations implementing Executive Order 11246 applicable to supply and service contractors are found at 41 CFR Parts 60-1, 60-2, 60-3, 60-20, and 60-50. [↑](#footnote-ref-1)
2. The regulations implementing Section 503 applicable to supply and service contractors are found at 41 CFR Part 741. [↑](#footnote-ref-2)
3. The regulations implementing VEVRAA applicable to supply and service contractors are found at 41 CFR Part 60-300. [↑](#footnote-ref-3)
4. As used herein and unless otherwise specified, the term “contractors” refers to federal contractors and subcontractors subject to the laws enforced by OFCCP. For EO 11246, the term also includes federally assisted construction contractors and subcontractors. [↑](#footnote-ref-4)
5. Effective October 1, 2010, the coverage threshold under Section 503 increased from $10,000 to $15,000, in accordance with the inflationary adjustment requirements in 41 U.S.C. 1908. *See*, Federal Acquisition Regulation; Inflation Adjustment of Acquisition-Related Thresholds, 75 CFR 53129 (Aug. 30, 2010). [↑](#footnote-ref-5)
6. Effective October 1, 2015, the coverage threshold under VEVRAA increased from $100,000 to $150,000, in accordance with the inflationary adjustment requirements in 41 U.S.C. 1908. *See*, Federal Acquisition Regulation; Inflation Adjustment of Acquisition-Related Thresholds, 80 FR 38293 (July 2, 2015). [↑](#footnote-ref-6)
7. The Supply and Service Program ICR also covers recordkeeping requirements for any supply and service contractors that choose to participate in OFCCP’s Voluntary Enterprise-wide Review Program. Contractors who participate in that program will undergo a modified form of compliance evaluation, as will be defined in a separate ICR for that program. [↑](#footnote-ref-7)
8. 41 CFR 60-300.40 – Applicability of the affirmative action program requirement. [↑](#footnote-ref-8)
9. The calculations on burden hours are based on contractor estimates and information provided by OFCCP field staff. [↑](#footnote-ref-9)
10. OFCCP estimates the total number of supply and service and construction contractor establishments from the most recent EEO-1 Report data available, which is from 2017. [↑](#footnote-ref-10)
11. The estimated burden assumes that every applicant will self-identify at the pre-offer stage. Because self-identification is voluntary, this represents an overestimation. However, the estimate also takes into account applicants who receive an offer and who self-identify twice, at both the pre-offer and post-offer stage. [↑](#footnote-ref-11)
12. Bureau of Labor Statistics, Occupational Employment Statistics, Occupational Employment and Wages, May 2018, <https://www.bls.gov/oes/current/oes_nat.htm> (last accessed June 17, 2019). $45.38 per hour for Management Analysts and $60.91 per hour for Human Resource Managers. The calculation uses an 80/20 split between Management Analysts and Human Resource Managers, which equals $48.48 plus 46 percent of wages for fringe benefits. $48.48 x 1.46 = $70.78 [↑](#footnote-ref-12)
13. Bureau of Labor Statistics, Occupational Employment Statistics, Occupational Employment and Wages, May 2018, <https://www.bls.gov/oes/current/oes_nat.htm> (last accessed June 17, 2019). $36.77 per hour for civilian workers and 46 percent of wages for fringe benefits. $36.77 x 1.46 = $53.68 [↑](#footnote-ref-13)
14. Based on the average copying cost at major paper supply stores as of June 17, 2019. [↑](#footnote-ref-14)