

National Credit Union Administration  
**SUPPORTING STATEMENT**

Contractor's Diversity Profile  
OMB No. 3133-0196

**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. Purpose and use of information collection.**

In order to ensure to the maximum extent possible, the fair inclusion of minorities and women in the workforce of NCUA contractors, and, as applicable, subcontractors, each new contract award whose dollar value exceeds \$100,000 will include a Good Faith Effort (GFE) Certification. This certification is included in the solicitation package and returned to NCUA as part of the contractor's proposal, with the understanding that the contractor may be 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 will 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 information technology.**

Although this collection may be completed in manual paper form, contractors can complete and submit the 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 mail the form.

**4. Duplication of information.**

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 \$100,000, and;
- b. Have 50 or more employees.

NCUA's purpose in focusing on contractors and subcontractors meeting these requirements 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 is 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 reduce burden on 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 implement affirmative action plans.

**6. Consequences of not conducting the collection.**

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 (as applicable) have made good faith efforts to include minorities and women in their workforce.

**7. Inconsistencies with guidelines in 5 CFR 1320.5(d)(2).**

There are no special circumstances. This collection is consistent with the guidelines of 5 CFR 1320.5(d)(2).

**8. Effort to consult with persons outside the agency.**

A 60-day notice was published in the *Federal Register* on February 20, 2020 at 85 FR 9809, soliciting comments from the public. No public comments were received in response to this notice.

**9. Payment or gift to respondents.**

There is no intent by NCUA to provide payment or gifts for information collected.

**10. Assurance of confidentiality.**

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

**11. Questions of a sensitive nature.**

No questions of a sensitive nature are asked. Personally Identifiable Information (PII) is not collected.

**12. Burden of information collection.**

Based on NCUA's recent experience, the agency has approximately 65 individual contracts that exceed the \$100,000 GFE Certification threshold annually. 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. From this projected pool of 50, NCUA will select a maximum of 10 contractors for review each quarter, for a total of 40 annually.

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 contractor/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
40	1	40	0.75	30

Assuming an individual’s annual income of \$51,960 (approximate per capita income in the U.S as of May 2018) and total labor of 2,080 hours per year, the hourly rate would be \$24.98. 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 \$18.74. Assuming 40 vendors complete and submit this form, the total cost to respondents would be \$562.20.

**13. Capital start-up or on-going operation and maintenance costs.**

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

**14. Annualized costs to 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 \$6,400.

**15. Changes in burden.**

The burden estimate was reduced from the previously approved amount to reflect implemented program standards that set the maximum number of reviews to be conducted annually by NCUA to 40 total (10 per quarter).

**16. Information collection planned for statistical purposes.**

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, individual vendor information provided by NCUA vendors is not published.

**17. Request non-display of the expiration date of the OMB control number.**

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal Government’s electronic PRA docket at [www.reginfo.gov](http://www.reginfo.gov).

**18. Exceptions to Certifications for Paperwork Reduction Act Submissions.**

There are no exceptions to the certification statement.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not employ statistical methods.