**SUPPORTING STATEMENT**

**FOR PAPERWORK REDUCTION ACT SUBMISSION**

**OMB CONTROL NO.9000-0182**

**Privacy Training**

**FAR Section Affected: 52.224-3**

**A. Justification.**

**1.** **Administrative requirements**.

This clearance covers the information that contractors must maintain and submit to comply with the following Federal Acquisition Regulation (FAR) requirement:

* 52.224-3(d). This clause requires contractors to:
  + (1) maintain a record of initial and annual privacy training, for the contractor’s employees that have: (a) have access to a system of records; (b) create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information on behalf of an agency; or (c) design, develop, maintain, or operate a system of records; and
  + (2) provide the above information to the contracting officer if requested.

**2.** **Uses of information.** The contracting officer will use the information in contract administration and to establish that all applicable contractor and subcontractor employees comply with the privacy training requirements.

**3.** **Consideration of information technology**. We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically.

**4.** **Efforts to identify duplication**. These requirements are issued under the FAR which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

**5.** **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

**6.** **Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**  Collection of information on a basis other than contract-by-contract is not practical.

**7.** **Special circumstances for collection**. Collection is consistent with guidelines in 5 CFR 1320.6.

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

1. A 60-day notice was published in the *Federal Register* at 85 FR 26690, on May 05, 2020. No comments were received.
2. A 30-day notice was published in the *Federal Register* at 85 FR 41983, on July 13, 2020.

**9.** **Explanation of any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.** Not applicable.

**10.** **Describe assurance of confidentiality provided to respondents.** This information is disclosed only to the extent consistent with prudent business practices, current regulations, and statutory requirements.

**11.** **Additional justification for questions of a sensitive nature.** No sensitive questions are involved.

**12 & 13.** **Estimated total annual public hour and cost burden**.

**Public Recordkeeping and Public Reporting Hourly Burden**

For purposes of this information collection, it is assumed that only the Product Service Codes (PSCs) referenced below, would potentially be affected by 52.224-3 (essentially non-product based PSCs that have some access to information and/or design). It is further assumed that only a certain amount of potentially affected contractors will actually be affected, in this case 33.25 percent (33.25%). When creating the pool of potentially affected contractors, it is a generally accepted convention that there are two subcontractors for every prime contractor (2:1 ratio), that convention is utilized herein. There were no comments on these assumptions previously.

The burden is based on information generated from the Federal Procurement Data System (FPDS) for fiscal year (FY) 2019 for the following Product Service Codes(PSCs): Category A-Research and Development; Category B-Special Studies/Analysis, Not R&D; Category C-Architect and Engineering Services; Category D-Information Technology and Telecommunications; Category G-Social; Category H-Quality Control, Testing, and Inspection; Category J-Maintenance, Repair, and Rebuilding of Equipment; Category K-Modification of Equipment; Category L-Technical Representative; Category M-Operation of Structures/Facilities; Category N-Installation of Equipment; Category Q-Medical; Category R-Support (Professional/Administrative/Management); and Category U-Education/Training.

Total Public Recordkeeping Burden

Examination of this data reveals that the number of unique vendors that received contract awards in the targeted PSCs in FY 2019 is 33,245. The number of potential subcontractors is 66,490 (33,245 unique x 2). Therefore, the total pool of affected contractors is 99,735 (33,245 prime contractors plus 66,490 subcontractors). The recordkeeping requirements associated with the clause will apply to a limited number (33.25 percent) of contractors. The estimated number of contractors (recordkeepers) that will be impacted by this rule is approximately 33,162 (99,735 X .3325). The estimated hourly burden expended per record keeper per contract award is 3 hours (6 records per record keeper X .50 (30 minutes) per record). The estimated annual recordkeeping burden is calculated as follows:

**Estimated number of recordkeepers/yr................... 33,162**

**Hours per recordkeeper.................................. x 3.0**

**Estimated annual record keeping burden hours................................................ 99,486**

**Hourly rate\*..........................................x $39.00\***

**Estimated cost to the public.................... $3,879,954**

Total Public Reporting Burden

The public reporting burden is associated with the occasional request by the contracting officer for the contractor to provide documentation of completion of privacy training by the contractor’s staff. Referring back to the total number of record keepers, 33,162, it is estimated that approximately 2.5 percent (2.5%) will be required to submit completion documentation. All told, the total number of respondents that annually will be required to submit training completion documentation is 829 (33,162 X .025). The preparation time associated with this effort is 0.25 hours (15 minutes) per submission (report). The calculation for annualized public reporting cost is as follows:

**Estimated respondents/yr............................. 829**

**Responses annually.................................... x 1**

**Total annual responses.............................. 829**

**Estimated hrs/response................................ x 0.25**

**Estimated total burden hrs.......................... 207**

**Hourly rate\*..........................................x $39**

**Estimated cost to the public.................... $8,073.00**

Total Combined Recordkeeping and Public Reporting Burden

Total estimated annual burden hours (99,483 hrs. + 207 hrs.)**..............................................99,690**

Estimated total cost to the public ($3,879,854 + $8,073): **...................................................$3,887,927.00**

\*Based on the OPM GS-09/step 5 salary ($28.73 an hour) plus 36.25% burden, rounded to the nearest dollar, or $39.00 an hour. Reference Salary Table 2020-RUS, Effective January 2020, found at www.opm.gov.

**14. Estimated cost to the Government.**

Total annual responses...............................829

Review Time per response (hours).................... x 1

Review time per year (hours)........................ 829

Hourly rate\*.......................................x $39

Estimated cost to the Government............. $32,331

**15.** **Explain reasons for program changes or adjustments reported in Item 13 or 14**. The increase of reporting responses from 796 to 829 and the associated increase in estimated burden hours from 200 to 207 is an adjustment due to use of the most current data available.

The increase of annual recordkeepers from 31,821 to 33,162 and the associated increase in estimated recordkeeping burden hours from 97,471 to 99,486 is an adjustment due to use of the most current data available.

**16.** **Outline plans for published results of information collections**. Results will not be tabulated or published.

**17. Approval not to display expiration date.** Not applicable.

**18. Explanation of exception to certification statement.** Not applicable.

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

Statistical methods are not used in this information collection.