

**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 processes 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). To help implement the requirements of Section 342 of the Dodd-Frank Act, the Commission developed and maintains an electronic Supplier Diversity Business Management System (SDBMS) to collect up-to-date business information and capabilities statements from diverse suppliers interested in doing business with the Commission.

**2. Purpose and Use of the Information Collection**

The purpose of SDBMS is to serve as a central repository of general business information and statements of capabilities provided by minority-owned, women-owned, and/or small businesses (i.e., 8(a)-certified, small, small disadvantaged, women-owned small, service-disabled veteran-owned small, and HUBZone certified businesses) interested in doing business with the Commission. The SDBMS application serves as a tool to centralize all supplier diversity information and communication, such as potential contracting opportunities and supplier diversity initiatives.

Uses of the information collected in SDBMS include assisting the Commission with its market research efforts, enabling the Commission to assess the effectiveness of its technical assistance and outreach efforts and identify target areas for additional program efforts, and facilitating the Commission's compliance with its Congressionally-mandated reporting obligations on the Commission's contract awards.

**3. Consideration Given to Information Technology**

Information is collected in SDBMS via e-filed, dynamic form-based technology. SDBMS 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 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 the burden by alleviating the need to fully type out a response to every question.

**4. Duplication of Information**

Although some basic business data is available in the system for Award Management, the Commission's collection of information in SDBMS 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. Burden on Small Businesses or Other Small Entities**

The information collection requirement does not disparately impact small businesses or other small entities. The information being collected is readily known and available to the respondents. Additionally, any *de minimus* burden is minimized because the electronic registration format allows businesses to complete and submit their information online, without any printing, manual entries, or faxing required. The information collection is voluntary.

**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 May 11, 2021, the Commission published a notice in the Federal Register (86 FR 25931) 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 SDBMS 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 a median hourly wage of \$20.17,<sup>1</sup> at 30 minutes per response, each response will cost a respondent \$10.09. Assuming 300 suppliers complete and submit this form, the total cost would be \$3,027. 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 SDBMS is approximately \$160,000. This estimate is solely for purposes of the Paperwork Reduction Act.

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<sup>1</sup> This is the median hourly wage in the United States for all occupations, according to the [May 2020 National Occupational Employment and Wage Estimates](#).

**15. Explanation of Changes in Burden**

There is no change in the estimated burden. Other than a recent decrease in the number of respondents, presumably due to the COVID-19 pandemic, the estimated number of respondents overall remains the same at 300 per year, based on the actual response rate prior to the pandemic. As such, the total burden estimate also remains the same at 150 hours.

**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 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.