

## SUPPORTING STATEMENT

### Paperwork Reduction Act Information Collection 3090-0319: CDP Supply Chain Climate Change Information Request

#### Part A

#### JUSTIFICATION

##### **1. Explain the circumstances that make the collection of information necessary.**

The CDP Supply Chain Climate Change Information Request is an electronic questionnaire designed to collect information that is widely used by large commercial and governmental organizations to understand, assess, and mitigate potentially disruptive and costly supply chain risks and environmental impacts. The questionnaire is administered by CDP North America, Inc., a 501(c)(3) nonprofit organization (“CDP”). CDP administers the questionnaire annually on behalf of over 590 institutional investors, 200 major corporations, and several large governmental purchasing organizations in addition to the U.S. General Services Administration (GSA). CDP’s most recent annual survey was directed to over 20,000 companies, with over 9,600 electing to respond.

Under the previously approved information collection request, GSA has directed CDP since 2017 to include several hundred major Federal contractors annually among its potential survey respondents. In accordance with 31 U.S. Code § 3512(c)(1)(B), GSA uses the information received from these companies via CDP to inform and develop purchasing policies and contract requirements necessary to safeguard Federal assets against waste, loss, and misappropriation resulting from unmitigated exposure to supply chain energy market and environmental risks. In accordance with Executive Orders 13990, 14008, and 14030, GSA also uses the information to inform development of policies and programs to reduce climate risks and greenhouse gas emissions associated with federal procurement activities.

This collection request is for GSA to direct CDP to survey specific recipients using CDP’s standard questionnaire. CDP, not GSA, is solely responsible for authoring and administering the questionnaire. GSA is not requesting (and does not have the ability as part of CDP’s process) to revise the questionnaire, including to revise questions or to include or exclude specific questions. GSA-requested recipients will be notified both by CDP and directly by GSA that GSA is a sponsor of the collection and will use the information.

##### **2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

In accordance with 31 U.S. Code § 3512(c)(1)(B), GSA uses information collected via this questionnaire to inform and develop purchasing policies and contract requirements necessary to safeguard Federal assets against waste, loss, and misappropriation resulting from unmitigated supply chain risks. GSA will also use the information in accordance with Executive Orders 13990, 14008, and 14030 to inform development of policies and

programs to reduce climate risks and greenhouse gas emissions associated with federal procurement activities. For example, GSA has used CDP information in recent years to perform critical market research in connection with multi-billion-dollar strategic contracting efforts. In one case, GSA determined that data center facilities used by potential network infrastructure providers could be at risk due to flooding, extreme heat, or lack of available cooling water sources, placing Federal client operations at risk. In another case, GSA used information from the CDP survey to research potential contractors' existing risk mitigation and greenhouse gas reduction practices and to design appropriate contract requirements to ensure that contractors assess and mitigate these risks and reduce greenhouse gases associated with their federal contract activities. In another case, GSA determined that energy savings practices available to potential information technology service providers could significantly lower their overhead costs and that this would likely reduce contract costs for GSA and other Federal agencies. GSA again used CDP information to research current contractor practices and to design appropriate contract requirements to encourage contractors to reduce these costs. GSA uses the information received via this collection to verify contract compliance under these existing programs, as well as to research new development of other similar policies and programs.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

Means of collection: This collection is to be conducted by CDP North America, Inc., a 501(c)(3) nonprofit organization ("CDP") which has sole control over the means of collection. CDP uses an electronic collection instrument (Web-based survey form) exclusively for collection of this information.

Publication: CDP allows survey respondents to choose whether they would like their responses to be publicly available. For respondents who elect a public response, both CDP and GSA will make their responses available to the public over the Internet. For respondents who elect a private response, CDP will provide the response to GSA for internal use only and neither CDP nor GSA will publish the response, online or otherwise. CDP allows respondents the private response option in order to increase overall response rate, because some respondents — especially those who are new to responding to the survey, and/or are concerned that relatively underdeveloped business practices may damage their reputation if publicly disclosed — may be uncomfortable with a public response, but are willing to provide a private response to selected information users such as GSA. In these cases, CDP's approach is to encourage private responses over no response, in order to afford respondents a lower-stakes environment in which to further develop their business processes and practices. CDP and GSA encourage public responses to the extent possible, while clearly communicating that all responses (public or private) are strictly voluntary.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.**

Response to and use of CDP's questionnaire is standard commercial practice for large segments of the U.S. and global economies. Users of CDP data include over 590 institutional investors, representing over \$110 trillion in assets, and over 200 large

purchasing organizations, with combined procurement spend of over \$5.5 trillion annually. On behalf of these 790-plus data users, CDP already administers this questionnaire to a total of over 20,000 companies annually, using a process in which data users annually “nominate” to CDP the organizations in whose responses they are interested. CDP then issues a single questionnaire to each respondent that is nominated by any data user, and supplies that respondent’s response back to all data users who requested it. This methodology was explicitly designed to reduce duplication by centralizing survey administration such that requests by multiple parties for similar information do not result in recipients being asked to complete duplicative or partially overlapping questionnaires. Because most CDP respondents have business relationships with multiple CDP data users, both respondents and data users typically report that use of this methodology significantly reduces the burden (“survey fatigue”) of investment and supply chain risk mitigation activities compared to the most common alternative commercial practice: use of separate survey instruments, requesting overlapping but differently formatted responses, administered to each respondent by each data user with whom the respondent has a business relationship.

Prior to requesting and receiving clearance for this information collection in 2018, GSA purchased existing responses from CDP without itself nominating respondents, in order to avoid triggering the PRA. This collection allows GSA to nominate to CDP additional respondents who may not be nominated by another data user, and thus would not otherwise be surveyed. GSA is proposing to ask CDP to survey these additional respondents (including companies with only, or chiefly, Federal agency clients, who would thus not be nominated to CDP by private-sector clients) in order to increase protection against waste, loss, and misappropriation of Federal assets, in accordance with 31 U.S. Code § 3512(c)(1) (B), and in order to reduce climate risks and greenhouse gas emissions associated with federal procurement activities, in accordance with Executive Orders 13990, 14008, and 14030. GSA continually monitors the market for existing sources of similar information which could be used or modified for these purposes and has not identified feasible alternatives with lower burden.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

GSA anticipates nominating up to 500 respondents to CDP for the survey. Based on historical CDP response rates and GSA’s intended recipients, GSA anticipates that fewer than 10 of these nominations will be small businesses. CDP provides small businesses with the opportunity to respond to a simplified version of the questionnaire. See above under question (4) for aspects of the methodology which reduce burden on all respondents.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.**

Risks of climate change are not unique to the Federal government, but as the world’s largest procurement organization, the Federal procurement system plays important direct and leadership roles in managing global climate-related financial risks. The Intergovernmental Panel on Climate Change has estimated \$69 trillion in global financial losses by 2100 from a 2-degree warming scenario if these risks are not properly

managed. Not conducting this collection would thus deprive GSA of information regarding potentially serious and costly risks to its supply chain and Federal agency missions, reducing GSA's ability to protect against waste, loss, and misappropriation of Federal assets in accordance with 31 U.S. Code § 3512(c)(1)(B), and reducing its ability to reduce climate risks and greenhouse gas emissions associated with federal procurement activities in compliance with Executive Orders 13990, 14008, and 14030. Conducting the collection less than once per year would have the same effects. In addition, conducting the collection less than once per year would increase GSA's costs per collection because discounts provided by CDP for regular annual participation would not be available.

**7. Explain any special circumstances.**

None of the special circumstances noted in the instructions to this question is applicable.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

A 60-day notice was published in the *Federal Register* at 86 FR 51889 on September 17, 2021. One comment was received and is addressed below. A 30-day notice published in the *Federal Register* at 86 FR 71268 on December 15, 2021.

Comment:

Requests that GSA provides detail on how it will summarize the responses CDP receives; and that a link to the CDP questionnaire is included in the Supporting Statement.

Response:

The link to the scorecard summarizing CDP responses will be updated on a publicly accessible website: <https://d2d.gsa.gov/report/gsa-federal-contractor-climate-action-scorecard>.

The most recent CDP Climate Change questionnaire can be found here: <https://guidance.cdp.net/en/guidance?cid=18&ctype=theme&idtype=ThemeID&incchild=1&microsite=0&otype=Questionnaire&tags=TAG-646%2CTAG-605%2CTAG-600>

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payment or gift will be provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

CDP provides respondents the option to provide a "private" response and assures them that any response so designated will be provided by CDP only to selected paying data

users who specifically request that respondent’s response. GSA is contractually bound by CDP’s standard terms to maintain the confidentiality of these “private” responses. Most respondents choose to make their responses public, in which case no assurance of confidentiality is provided.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

This collection contains no applicable questions.

**12 & 13. Provide estimates of the hour and cost burden of the collection of information.**

Total annual response burden is thus estimated as follows:

Response category	Respondents	Time per Respondent	Total
(a) Nominated respondents who elect not to respond	250	0 minutes	0 hours
(b) Respondents who would have responded to CDP regardless of GSA’s nomination	220	5 minutes	18 hours
(c) Respondents who respond to CDP because of GSA’s nomination	30	120 hours	3600 hours
Total Time for all respondents:			3618 hours

The estimated annualized cost to the public is \$254,056. (Using the above reference, 3618 total response hours x \$70.22, based on a GS 11, step 5 hourly pay rate of \$35.11 per hour plus addition of a 100% benefits factor = \$254,056). The estimated cost per response is \$1,016. (Using the above reference, \$254,056 divided by 250 total responses completed = \$1,016).

This collection is not expected to require any capital or start-up costs incurred by recipients. This collection is not expected to require operation and maintenance or purchase of services, other than labor costs directly related to information gathering and preparation of the response (hour burden shown above).

GSA expects to nominate up to 500 large and medium-sized businesses per year for voluntary response to the CDP survey. Estimates of response time vary greatly depending on whether each requested respondent (a) elects not to respond; (b) responds, but would have responded to CDP regardless of GSA’s nomination (see methodology description in (4) above); or (c) responds to CDP because of GSA’s nomination.

- (a) Nominated respondents who elect not to respond. These nominated respondents will take no action in response to the collection effort and thus

will spend zero time on their responses. Based on historical CDP response rates and GSA's intended recipients, GSA estimates that 250 out of 500 annual nominated respondents will be in this category.

- Hour burden for this category: 250 non-responses; time per respondent 0; total time 0.

(b) Respondents who would have responded to CDP regardless of GSA's nomination (see methodology description in (4) above). These respondents will complete some or all of the collection instrument, but would have done so regardless of GSA's nomination. In addition, some of these respondents will answer a small number of additional questions (requiring a small fraction of their overall response time to CDP) based on GSA's nomination. In addition, all of these respondents will need to complete one additional question in order to direct CDP to share their responses with GSA. Based on historical CDP response rates and GSA's intended recipients, GSA estimates that 220 out of 500 nominated respondents will be in this category.

- Hour burden for this category: 220 responses; average time per respondent 5 minutes; total burden 18.3 hours.

(c) Respondents who respond to CDP because of GSA's nomination. These respondents will need to invest significant time drafting their responses and gathering facts, including the time for searching existing data sources such as utility bills, analyzing and maintaining the data needed, and completing and reviewing the collection instrument. Based on historical CDP response rates and GSA's intended recipients, GSA estimates that 30 out of 500 potential annual respondents will be in this category. Based on discussions with several dozen previous respondents to CDP's questionnaire, as well as public input received in response to a related information collection request notice (see [82 FR 3794](#)), time burden for this collection is estimated to average 120 hours per response.

- Hour burden for this category: 30 responses; average time per respondent 120 hours; total burden 3600 hours.

#### **14. Provide estimates of annualized costs to the Federal Government.**

Annual costs to the Federal Government will be \$47,000 which is the contractual cost of data collection services to be provided by CDP.

#### **15. Explain the reasons for any program changes or adjustments reported on the burden worksheet.**

In order to better achieve the purposes described above, GSA intends to expand this program from 300 to 500 maximum annual recipients, which will increase the number of elected respondents to 250—up from the previously approved 130. The burden worksheet has been updated to reflect this increase. Estimates of response rates per category have been updated based on GSA's latest data from the existing collection, and cost burden has been adjusted due to increases in the GS equivalent pay rate.

#### **16. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other**

**actions.**

Collection of information is anticipated to begin in May, 2022 and to continue on a standard annual cycle. Each annual survey is expected to close in September, and GSA will receive collected data from CDP in October. Summaries of responses designated as “public” will be published on GSA’s Web site by the end of each calendar year. No complex analytical techniques are planned. GSA has published summaries of information received in previous years here: <https://d2d.gsa.gov/report/gsa-federal-contractor-climate-action-scorecard>

**17. If you are seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

This exemption is requested based on the high cost and complexity of modifying an electronic application which is run by a third party (CDP) in their normal course of business and was not developed specifically for the purpose of conducting this information collection on behalf of GSA. As described above, this information collection request is for GSA to direct CDP to add additional recipients to an existing survey conducted annually by CDP on behalf of over 790 existing data users and with over 20,000 existing recipients. Due to the large number of data users and inherent features of its methodology as designed to minimize cost and burden for all data users and recipients, CDP does not customarily provide individual data users such as GSA the opportunity to customize its collection instrument.

**18. Explain each exception to the topics of the certification statement identified in Certification for Paperwork Reduction Act Submissions.**

Not applicable.