

Federal Acquisition Regulation (FAR)
Privacy Training
OMB Control No. 9000-0182
Justification - Part A Supporting Statement

FAR section affected: 52.224-3

Overview of Information Collection:

- This justification supports clearance of an extension of the collection.

There are no program changes. The FAR requirements remain the same. This extension includes adjustments to the burden due to use of the latest Federal Procurement Data System (FPDS) data available, and the calendar year 2023 OPM GS wage rates for the rest of the United States as explained in item 15.

1. Need & Method for the Information Collection. This clearance covers the information that contractors must submit to comply with the following FAR requirements:

- 52.224-3(d). This clause requires contractors to:

(a) Maintain a record of initial and annual privacy training, for the contractor's employees that: (i) have access to a system of records; (ii) create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information on behalf of an agency; or (iii) design, develop, maintain, or operate a system of records; and

(b) Provide documentation of completion of such privacy training to the contracting officer if requested.

2. Use of the 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. Use of Information Technology. Federal agencies use 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. Non-duplication. These requirements are issued under the FAR,

which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. Burden on Small Business. The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.
6. Less Frequent Collection. Collection of information on a basis other than contract-by-contract is not practical.
7. Paperwork Reduction Act Guidelines. Collection is consistent with guidelines in 5 CFR 1320.5(d)(2).
8. Consultation and Public Comments.
 - A. A 60-day notice was published in the *Federal Register* at 88 FR 39254, on June 15, 2023. No comments were received.
 - B. A 30-day notice was published in the *Federal Register* at 88 FR 56822, on August 21, 2023.
9. Gifts or Payment. This collection does not provide any payment or gift to respondents, other than remuneration of contractors.
10. Privacy & Confidentiality. This information is disclosed only to the extent consistent with prudent business practices, current regulations, and statutory requirements.
11. Sensitive Questions. No sensitive questions are involved.
12. Burden Estimate.

Estimated total annual public hour and cost burden.

For purposes of this information collection, it is assumed that only the Product Service Codes (PSCs) referenced below, would potentially be affected by FAR clause 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 number 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 following estimates are based on averages of historical award data available in FPDS for fiscal years 2020 through 2022 for the

following 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 entities that received contract awards in the targeted PSCs is 49,220 (annual average for fiscal years 2020 through 2022). The number of potential subcontractors is 98,440 (49,220 unique x 2). Therefore, the total pool of affected contractors is 147,660 (49,220 prime contractors plus 98,440 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 49,097 (147,660 X .3325). The estimated hourly burden expended per recordkeeper 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:

Recordkeeping

Recordkeepers/yr.....	49,097
Records per recordkeeper.....	x 6
Total annual records	294,582
Review hours/record.....	x 0.5
Annual recordkeeping burden hours.....	147,291
Hourly rate*.....	x \$46
Annual recordkeeping burden cost to the public..	\$6,775,386

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 recordkeepers, 49,097 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 1,227 (49,097 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:

Reporting

Estimated number of respondents/yr.....1,227
 Responses per respondent..... x 1
 Total annual responses..... 1,227
 Estimated hrs/response..... x 0.25
 Estimated annual burden hours..... 307
 Hourly rate*..... x \$46
 Estimated annual cost to the public..... \$14,111

Total Combined Recordkeeping and Public Reporting Burden

Total estimated annual burden hours.....**147,598**

(147,291 hrs. + 307 hrs.)

Estimated total cost to the public.....**\$6,789,497**

(\$6,775,386 + \$14,111)

* Fully burdened rate includes a 36.25 percent fringe factor (pursuant to the rate provided in OMB memorandum M-08-13 for use in public-private competition), and a 12 percent overhead rate (from A-76 revised supplemental handbook). Based on the Office of Personnel Management (OPM) 2023 General Schedule (GS) 9/step 5 salary for the rest of the United States (\$31.02 per hour) plus the fringe factor and the overhead rate, rounded to the nearest whole dollar (\$46).

13. Estimated nonrecurring costs. Not applicable.

14. Estimated cost to the Government.

Estimated responses/yr.....1,227
 Reviewing time (hr)/response..... x 1
 Review time /yr..... 1,227
 Hourly rate*..... x \$46
 Estimated annual cost to the Government... \$56,442

15. Reasons for changes. There are no program changes. The FAR requirements remain the same. This extension includes adjustments to the public and Government burden estimates

based on the following:

- The estimated number of respondents and responses per year is based on the historical average of FPDS data for the three most recent fiscal years (2020 through 2022).
- The estimated cost per hour is based on use of the calendar year 2023 OPM GS wage rate for the rest of the United States.

	2020 Estimate	2023 Estimate	Change in Burden
Number of respondents	829	1,227	398
Total annual responses	829	1,227	398
Total burden hours	99,690	147,598	47,908
Total annual cost to public	\$3,887,926	\$6,789,497	\$2,901,571

16. Publicizing Results. Results will not be tabulated or published.

17. OMB Not to Display Approval. Approval to *not* display the expiration date for OMB approval of the information collection is not sought.

18. Exceptions to "Certification for Paperwork Reduction Submissions." There is no exception to the certification statement.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. Statistical methods are not used in this information collection. A Part B supporting statement is not needed, or required, and therefore was not completed.

<u>FY</u>	<u>Totals</u>	
	<u>Awards</u>	<u>Unique entities</u>
2020	228655	51288

2021	220260	48472
2022	224196	47900
Average	224370	49220