

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0007, Summary Subcontract Report**

A. Justification.

1. **Administrative requirements.** In accordance with the Small Business Act (15 U.S.C. 631, et seq.), contractors receiving a contract for more than \$100,000 agree to have small, small disadvantaged, women-owned small, veteran-owned small and HUBZone small business concerns participate in the performance of the contract as far as practicable. Contractors receiving a contract or a modification to a contract expected to exceed \$500,000 (\$1 million for construction) must submit a subcontracting plan that provides maximum practicable opportunities for small, small disadvantaged, women-owned small, veteran-owned small and HUBZone small business concerns. Specific elements required to be included in the plan are specified in section 8(d) of the Small Business Act and are implemented in FAR 19.7.
2. **Uses of information.** The information is used to assess contractors' compliance with subcontracting plans and achievement of goals for subcontract awards to small, small disadvantaged, veteran-owned small, and women-owned small businesses and to track the dollars awarded to small disadvantaged businesses to ensure that Federal acquisition programs which consider race in the decision to award a Federal contract meet the strict scrutiny requirements of Adarand.
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.** The proposed FAR language does not duplicate any other Federal rules.
5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** Small businesses are not required to submit SF 295.
6. **Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Without the proposed information collection, the Federal Government will lack sufficient data pertaining to the use of small disadvantaged businesses in Federal contracting and will be unable to determine if race is being used in a manner consistent with the constitutional standards established by the Supreme Court in Adarand.
7. **Special circumstance for collection.** Collection is consistent with the guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.** Under the procedures established for development of the FAR, agency and public comments were solicited and each comment addressed before finalization of the text. A notice in the July 28, 2006, Federal Register made this requirement available to the public and requested comments. No comments were received. The additional statutory requirement to report subcontracts awarded to veteran-owned and service disabled veteran owned is being implemented as an interim rule. Comments are being solicited and will be considered in formulation of the final rule.

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

10. **Describe assurance of confidentiality provided to respondents.** Information concerning a firm's status will be available through an automated system being developed by the Small Business Administration. Information related to individual contract performance will become part of the contract file. Information contained in that file will be subject to review and release in accordance with the requirements of the Freedom of Information Act.

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

12. **Estimated total annual public hour burden..** Estimates are segregated as follows because reports related to Civilian agency plans and DOD commercial subcontracting plans are submitted annually, while reports related to subcontracting plans with DOD which are not commercial plans are submitted semi-annually.

	DOD (excl. Commercial)	Civilian (and DOD commercial)
a. Number of respondents:	2,845	1,408
b. Responses per respondent:	<u>x 2</u>	<u>x 1</u>
c. Total annual responses:	5,690	1,408
d. Hours per response:	<u>x 16</u>	<u>x 15.5</u>
e. Total hours:	91,040	21,824

* The new VOSB and service-disabled VOSB data reporting is estimated to require an additional 1.5 hours each (a total increase of 3 hours per report).

13. **Estimated total annual cost burden.**

a. Total annual responses:	7,098
b. Hours per response:	<u>x 15.9</u>
c. Total hours	112,858
d. Average cost per hour:	<u>x \$29</u>
e. Total annual cost to public:	\$3,272,882

Reporting will be accomplished by midlevel personnel equivalent to a GS-11, step 5, salary plus 25% overhead burden (\$26/hour).

14. Estimated costs to the Government.

a. Total annual responses:	7,098
b. Hours per response:	<u>x 5.2</u>
c. Total hours	36,910
d. Average cost per hour:	<u>x \$26</u>
e. Total annual cost to Government:	\$959,660

* one hour per plan for responses to solicitations (where a firm may or may not win award), and additional 1 hour per plan and report where firm does win award (see note in item 12).

Government hours per response are based on the time required to receive, review, and record the information submitted by the offeror. It is estimated that the time associated with these tasks is approximately 4 hours for the old SF 295 data and an additional 4 hours for the new small disadvantaged business data.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. The Federal Acquisition Regulation is being revised to comply with recently enacted legislation concerning veterans and service-disabled veterans. The FAR changes implement section 501, section 502, and section 604(d) of the Veterans Entrepreneurship and Small Business Development Act of 1999 (Pub. L. 106-50). Section 501 of Title V of the Act, adds Veteran-owned small business concerns (VOSBs) to the subcontracting plan requirements. This addition will require that contractors that have subcontracting plans develop a goal for subcontracts to be awarded to VOSBs and report on the progress against those goals. In addition, Section 502 established a governmentwide goal of 3% for contracts and subcontracts awarded to service-disabled VOSBs. Therefore, information on awards to service-disabled VOSBs must be collected from contractors to compute agencies' accomplishments against this goal.

16. Outline plans for published results of information collections. Results of this collection will be collected by and available through the Federal Procurement Data Center.

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

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

B. Collection of Information Employing Statistical Methods.

Statistical methods will not be employed.