

**Justification for OMB Control Number 9000-0132,
Contractors' Purchasing Systems Reviews**

A. Justification.

1. Administrative requirements. The objective of a contractor purchasing system review (CPSR), is to evaluate the efficiency and effectiveness with which the contractor spends Government funds and complies with Government policy when subcontracting. The CPSR requires an evaluation of the contractor's purchasing system. The administrative requirements are as follows:

- FAR 44.305-2(c) requires that when recommendations are made for improvement of an approved system, the contractor shall be requested to reply within 15 days with a position regarding the recommendations.

- FAR 44.305-3(a) requires the administrative contracting officer (ACO) to withhold or withdraw approval of a contractor's purchasing system when there are major weaknesses or when the contractor is unable to provide sufficient information upon which to make an affirmative determination of the contractor's purchasing system or to protect the Government's interest.

- FAR 44.305-3(b) requires when approval of the contractor's purchasing system is withheld or withdrawn, the ACO shall within 10 days after completing the in-plant review (1) inform the contractor in writing, (2) specify the deficiencies that must be corrected to qualify the system for approval, and (3) request the contractor to furnish within 15 days a plan for accomplishing the necessary actions. If the plan is accepted, the ACO shall make a follow-up review as soon as the contractor notifies the ACO that the deficiencies have been corrected.

- FAR 52.244-2(j) Subcontracts, specifies that the Government reserves the right to review the contractor's purchasing system as set forth in FAR Subpart 44.3.

2. Uses of information. The review provides the administrative contracting officer a basis for granting, withholding, or withdrawing approval of the contractor's purchasing system.

3. **Consideration of information technology.** The FAR does not preclude the use of electronic transactions, writings, or recordkeeping to comply with the requirements of this clearance.
4. **Efforts to identify duplication.** This requirement is being issued under the Federal Acquisition Regulation (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.** Similar information is not already available to the contracting officer or buyer.
7. **Special circumstances for collection.** Collection of information on a basis other than solicitation-by-solicitation is not practical. Collection is consistent with 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 by publication of a notice of proposed rulemaking in the Federal Register on July 10, 2006. No comments were received.
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.** This information is disclosed only to the extent consistent with prudent business practices and current regulations.
11. **Additional justification for questions of a sensitive nature.** No sensitive questions are involved.

12 & 13. **Estimated total annual public hour and cost burden.** Time required for reading and preparing information is estimated at 17 hours per completion.

Annual Reporting Burden

Number of respondents.....	1,580
Number of responses per respondent per year.....	<u>x 1</u>
Total annual responses.....	1,580
Preparation time per response.....	<u>x 17</u>
Total response burden hours.....	26,860
Average wage (\$24 + 75% OH).....	<u>x \$42</u>
Estimated cost to public.....	1,128,120
(26,860 hrs x \$24/hr + 75% OH)	

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 25 hours per response.

Annual Recordkeeping Burden and Cost

Total annual responses.....	1,580
Review time per response.....	<u>x 25</u>
Total burden hours.....	39,500
.....	39,500
Average wages + overhead (\$26/hr + 100% OH).....	<u>x \$52</u>
Total Government Cost (39,500 hrs x \$26/hr + 100% OH)	2,054,000

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** This submission requests an extension of an information collection requirement in the FAR. The information collection requirement in the FAR remains unchanged.

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. Collection of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.