

## **Paperwork Reduction Act (PRA)/Information Collection Burden (ICB) Supporting Statement**

**2700-**

### **A. Justification.**

#### **1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

Public Law 95-452, known as the Inspector General Act of 1978, created independent audit and investigative units, called Offices of Inspector General (OIGs) at 61 Federal agencies. The mission of the OIGs, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness and efficiency within the agency.
- Prevent and detect crime, fraud, waste and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

The NASA OIG serves as an independent and objective audit and investigative organization to assist NASA by performing audits and investigations. The OIG prevents and detects crime, fraud, waste and abuse and assists NASA management in promoting economy, efficiency, and effectiveness in its programs and operations.

Through several past and current investigations, the OIG identified vulnerabilities to fraud, waste, and abuse relating to questionable practices in the performance of NASA Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) contracts. We believe that a contributing factor to these problems is the weak SBIR/STTR Program contractor certification requirements that NASA currently has in place. NASA SBIR/STTR Program solicitations currently require that offerors submit certifications with their proposals prior to contract award attesting that they are compliant with the above program requirements. However, there is currently no Agency requirement that SBIR/STTR contractors re-certify their compliance at any time after contract award. The lack of a re-certification requirement makes it difficult to hold SBIR/STTR contractors accountable for meeting program requirements and has hampered the NASA OIG's ability to pursue cases against some SBIR/STTR contractors for criminal and/or civil violations when warranted.

This action is to implement a NASA FAR Supplement (NFS) requirement that SBIR/STTR contractors complete and submit a re-certification of SBIR/STTR Program compliance prior to final payment. Requiring a re-certification as a condition to final payment should facilitate the Government's ability to hold SBIR/STTR contractors accountable for complying with Federal statute, regulation, and program and contract requirements.

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

The one-time re-certification will be used by NASA Contracting Officers and SBIR/STTR Program officials to ensure that SBIR/STTR contractors have complied with the SBA program requirements in the performance of their contracts. Also, the re-certifications will assist the NASA OIG in pursuing cases and prosecuting SBIR/STTR contractors who have knowingly and willfully violated program requirements in the performance of their contracts.

**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. Also describe any consideration of using information technology to reduce burden.**

The SBIR/STTR contractor may submit the required re-certification electronically, unless the cognizant NASA Contracting Officer requires the re-certification to be submitted via hard copy.

**4. Describe efforts to identify duplication.**

There is no other information currently being collected that could be used for this purpose.

**5. If the collection of information impacts small businesses or other small entities (Item five of form OMB 83-I, the Paperwork Reduction Act Submission form), describe any methods used to minimize burden.**

This is a one-time re-certification requirement, which will have a minimal impact to small businesses. The re-certification requirement is an inherent part of the contract administration function and any related additional burden on the contractor should be negligible.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

The lack of a re-certification requirement makes it difficult to hold SBIR/STTR contractors accountable for meeting Program requirements and has hampered the NASA OIG's ability to pursue cases against some SBIR/STTR contractors for criminal and/or civil violations when warranted.

This action is to implement a NASA FAR Supplement (NFS) requirement that SBIR/STTR contractors complete and submit a re-certification of SBIR/STTR Program compliance prior to

final payment. Requiring a re-certification as a condition to final payment should facilitate the Government's ability to hold SBIR/STTR contractors accountable for complying with Federal statute, regulation, and program and contract requirements.

**7. Explain any special circumstances that would cause an information collection to be conducted in certain manners (as listed).**

Not 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 before submission to OMB.**

See attached Federal Register notices. No comments on the collection were received.

*\*Will update based upon comments if any received during the public comment process.*

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

Not applicable.

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

The required re-certification will be retained in the official contract file as a routine contract deliverable.

**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.**

Not applicable.

**12. Provide estimates of the hour burden of the collection of information.**

The public burden for obtaining recertification prior to final payment from the SBIR/STTR contracts is estimated to be 242 hours with an average annual cost of \$12,100 for each of NASA's SBIR/STTR Program year. The estimated burden has been calculated as follows:

Certification (1 required per contract).....	484
Hours per certification.....	X 0.50 (30 minutes)
Certification Burden.....	242 hours
Average Hourly Rate.....	\$50
Average Annual Cost.....	\$12,100

Contract Awards	SBIR FY04	SBIR FY03	SBIR FY02	STTR FY04	STTR FY03	STTR FY02	Average
Phase I	283	268	305	49	24	25	<b>318</b>
Phase II	159	16	273	32	10	9	<b>166</b>
<b>Total</b>	<b>442</b>	<b>284</b>	<b>578</b>	<b>81</b>	<b>34</b>	<b>34</b>	<b>484</b>

The estimated number of certifications shown above is based upon an average of the total number of NASA's SBIR and STTR-related contracts awards for FY-2004, FY-2003, and FY-2002. The recertification will occur once per contract and the amount of time the Contractor is expected to collect this information is no more than 30 minutes. However, no real cost is associated with SBIR/STTR contractors because the costs associated with this type of administrative work is part of the cost of doing business and usually found in the companies' direct or indirect expenses and included in the contract price.

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There is no real cost burden (\$0) as outlined in #12 above because as Government contractors, the respondents are being reimbursed for their response to the collection of information as a cost of doing business and it is incurred as a indirect or direct expense and included in their contract price.

**14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses, and any other expense that would not have been incurred without this collection of information.**

Certification/Final Invoice (1 required per contract).....484  
 Hours per review of each invoice/certification.....x 1.5  
 Certification/Final Invoice Burden.....726 hours  
 Average Hourly Rate for COTR and CO (GS-14/GS-13) ...\$40  
 Average Annual Cost.....\$29,040

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

Not applicable.

**16. For collections of information intended for publication, outline plans for tabulation and publication.**

Not applicable.

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

Not applicable.

**18. Explain each exception to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions” of OMB Form 83-1.**

Not applicable.

**B. Collections of Information Employing Statistical Methods.**

Not applicable.