

SUPPORTING STATEMENT
U.S. Small Business Administration
Paperwork Reduction Act: Application for Certificate of Competency
OMB Control Number 3245-0225

A: JUSTIFICATION

1. Circumstances necessitating the collection of information

Section 8(b)(7)(A) of the Small Business Act of 1958 (15 U.S.C. 637(b)(7)(A), as amended, authorizes and directs the Small Business Administration (SBA) to certify that small business concerns are competent to perform specific Government contracts (see attached). SBA's implementing regulations are in 13 CFR 125.5.

The Certificate of Competency (COC) Program procedure is a means used to help small business concerns obtain Government contracts. Its purpose is to assure fair treatment of small businesses through an appeal procedure of an adverse determination by a contracting agency that an otherwise qualified small business concern cannot deliver a quality product or service in a timely manner. SBA Form 1531, Application for Certificate of Competency, is one of the documents necessary to file for a COC.

As a result of this certification procedure, small concerns have received millions of dollars worth of contracts that otherwise would have been awarded to the next higher offerors. The COC program has also resulted in substantial savings for the Nations taxpayers.

Note: SBA has minor technical changes to this form to correct typographical errors or clarify some of the requests for information.

2. How, by whom, and for what purpose information will be used

The information obtained from the completed form will be used by the SBA to determine if the applicant (small business concern) has the responsibility to perform a specific Government contract. This information is the basis for a determination which overrules a previous action by a contracting agency.

3. Technological collection techniques

SBA is looking at the feasibility of providing the respondent (small business concern) with the option of accessing and completing the form on line. This process will reduce the amount of time required to complete the form; although it will not reduce the amount of information to be collected. Currently, COC applicants may access the form on-line, download the form, complete it manually and submit it by mail.

4. Avoidance of Duplication

The COC program is unique in Government and no other similar information is available that can be used to make COC determination. Each determination is based on a set of facts unique to the proposed contract and the small business concern. Therefore, the reporting requirements are not duplicative.

5. Impact on small businesses or other small entities

Any small business would be expected to have all the information available as a result of normal business operations or a part of its preparation for making an offer for the contract in question. Therefore, the time required to complete the required forms does not place an undue burden on the COC applicant.

6. Consequences if collection of information is not conducted

This is an application procedure requiring completion in order to receive the benefit of the COC. If SBA were unable to certify that small business concerns are competent to perform specific Government contracts, there would be less assurance of fair treatment of small business offerors as directed by the Small Business Act.

7. Existence of special circumstance

The collection of information may result in the submission of proprietary trade secrets or other confidential information. However, the Agency will protect the confidentiality of this information to the extent permitted by law.

8. Solicitation of Public Comment

A notice for public comments was published in the Federal Register on May 23, 2007, Volume 72, Number 99, Page 29028-29029. No comments were received.

9. Payment of gifts

There will be no payments or gifts to any respondents.

10. Assurance of Confidentiality

Any financial or other confidential information collected will be protected to the maximum extent practicable under the Freedom of Information Act.

- a. Only personal information which is relevant and necessary to the direct accomplished of the SBA mission can be collected;
- b. Disclosure of this information without prior written consent of the individual is strictly, and;
- c. The individual must be allowed access to his or her record and must be provided the opportunity to challenge the veracity of its content.

11. Questions of a sensitive nature

Not applicable; there are no questions of a sensitive nature.

12. Estimate the hourly burden of the collection of information

Annualized costs of the respondents:

275 responses x 8 hours = 2200 hours

x average hourly rate of \$38.04(\$31.99 + \$6.05 inflation) = \$83,688 estimated costs to the respondents. This equate to \$304.32 per respondent per COC application.

The number of responses is based on the annual average of applications received during Fiscal Year 2003 through 2007. The number of hours is based on the COC Program Office's historical experience with the COC application.

In accordance with the Department of Labor, Bureau of Labor Statistics, Accountants employed by the Federal Government in non-supervisory, supervisory and managerial positions averaged hourly rate of \$36.01x 2080 hours = \$74,907 a year in 2005.

13. Estimate the total annual cost burden for submission

With the exception of the hour burden provided in Item 12, SBA does not estimate the cost of capital and start-up or operation and maintenance to be significant. The annual cost of generating, maintaining, and disclosing the information to SBA is minimal, per respondent. The information requested from SBA on the SBA Form 1531, Application for Certificate of Occupancy, does not warrant the respondent to purchase a new computer or acquire additional record storage facility above and beyond what the respondent should already possess.

14. Annualized Cost to the Federal Government

Annualized costs to the Federal Government:

275 responses x 8 hours = 2200 hours

X average hourly rate of \$38.04 = \$83,688 estimated cost to the Federal Government. This equates to \$304.32 per respondent per COC application.

The Government wage rate of \$38.04 is the hourly rate for a Federal employee at the GS 13, Step 1 pay grade. A GS-13 is the average General Schedule wage of a person processing COC applications.

15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I

There has been a minor decrease in the number of applications received.

16. Collection of information whose results will be published.

No publishing is planned.

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17. Expiration date for collection of information

Not applicable.

18. Exceptions to certification in block 19 on OMB Form 83-I.

Not applicable.

B: COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.