

**Supporting Statement
For Paperwork Reduction Act Submission
9000-0154, Davis-Bacon Act–Price Adjustment (Actual Method)**

A. Justification.

1. **Administrative requirements.** The Federal Acquisition Regulation (FAR) clause at 52.222-32, Davis-Bacon Act–Price Adjustment (Actual Method), requires that a contractor must submit at the exercise of each option to extend the term of the contract, including a statement of the amount claimed for incorporation of the most current wage determination by the Department of Labor (DOL), and any relevant supporting data, including payroll records, that the contracting officer may reasonably require. The contracting officer may include this clause in fixed-price solicitations and contracts, subject to the Davis-Bacon Act, that will contain option provisions to extend the term of the contract.

2. **Uses of information.** This information is used by Government contracting officers to establish the contract price adjustment for the construction requirements of the contract to reflect the contractor's actual increase or decrease in wages and fringe benefits due to incorporation of the DoL's Davis-Bacon Act wage determination applicable at the exercise of an option to extend the term of the contract, or incorporation of a Davis-Bacon Act wage determination otherwise applied to the contract by operation of law.

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.** This request for information does not duplicate any other requirement.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** The collections associated with small businesses are the minimum consistent with applicable DoL 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.** This information is collected on occasion, only when

the Government exercises an option to extend the term of a contract containing this clause. Collecting this information less frequently would prevent application of the proposed method of price adjustment.

7. Special circumstances for collection. Collection is consistent with guidelines in 5 CFR 1320.6.

8. Efforts to consult with person outside the agency. Under the procedures established for development of the FAR, agency and public comments were solicited before finalization of the text. Notices published in the *Federal Register* at 73 FR 67488, on November 14, 2008, and 74 FR 9224, on March 3, 2009, made this requirement available to the public and requested comments. 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. The information collected will be disclosed only to the extent consistent with prudent business practices, current regulations, and in accordance with the requirements of the Freedom of Information Act. No assurance of confidentiality is provided to respondents.

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

12 & 13. Estimated total annual public hours and cost burden. We based the estimated hour burden of the collection of information and the estimated annualized cost to respondents on information obtained from subject matter experts familiar with the approximate number of solicitations/contracts likely to contain this clause and the range of processing times, depending on the complexity of the contract. The burden addressed in this information collection requirement is the burden of compiling and submitting the required information. The contractor is already required by law to keep payroll records and other supporting data.

The prescribed clause 52.222-32 at FAR 22.407(g) for optional use in fixed-price solicitations and contracts, subject to the Davis-Bacon Act, that contain option provisions to extend the term of the contract. Generally, this clause is only appropriate if contract requirements are predominantly services

subject to the Service Contract Act and the construction requirements are substantial and segregable.

Estimated respondents/yr.	900
Annual responses	<u>x 1</u>
Total annual responses	900
Estimated hrs/response	<u>x 90</u>
Estimated total burden/hrs	81,000
Cost per hour	<u>x \$27.00</u>
Estimated cost to public	\$2,187,000

The estimated cost of \$27.00 per hour is based on the equivalent of a GS-11, step 5 salary plus 32.45 percent burden.

14. Estimated annual cost to the Government.

Total annual responses	900
Total hours per response	<u>x 4</u>
Total burden hours	3,600
Average wages	<u>x \$27.00</u>
Total cost to Government	\$97,200

The cost of \$27.00 per hour is based on GS-11, step 5 salary plus 32.45 percent burden.

15. Explain reasons for program changes or adjustments reported in Item 13 or 14. This submission requests an extension of OMB approval 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. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.