

SUPPORTING STATEMENT
FOR
REQUEST FOR RENEWAL OF THE OMB APPROVAL OF THE FEDERAL AVIATION ADMINISTRATION ACQUISITION MANAGEMENT SYSTEM (FAAAMS) UNDER THE PAPERWORK REDUCTION ACT - INCLUDING AMERICAN RECOVERY AND REINVESTMENT ACT REQUIREMENTS (OMB 2120-0595)

A. JUSTIFICATION:

1. Explain the circumstances making collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The agency document for which this supporting statement is provided is the Federal Aviation Administration Acquisition Management System (FAAAMS) and its associated forms. The information is necessary in order to permit the FAA to conduct more timely and cost-effective acquisitions within the FAA acquisition system.

The information obtained is necessary in order that the FAA's acquisition organization may be able to plan and conduct acquisitions of varying types (supplies, services, real estate, etc.), including establishing contracts and monitoring contractor compliance. This information collection is pursuant to all the precepts of OMB circular A-109, Major System Acquisition and Public Law 104-50, "Making Appropriations for the Department of Transportation and Related Agencies", Section 348.

This collection of information supports the Department of Transportation's strategic goal of realizing better resource and business processes through this more efficient acquisition approach.

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

The collection of information requirements arises from various sections of the FAAAMS. This information is partly used for reimbursement of FAA contractors, either directly under a contract or indirectly through overhead expense pools. It is required to carry out the provisions of the FAA acquisition process. We have used the information to acquire, award, and administer contracts.

Specifically, twelve (12) areas contained within the FAAAMS have been identified as requiring information:

- (a) Market Survey information to see what is available to meet FAA needs.
- (b) Requests for information/Draft Solicitations to obtain comments on the requirement identified as meeting an FAA need.
- (c) Screening Document Requests to evaluate potential offerors and identify the offeror that provides the most advantageous solution that will meet the FAA need as defined.
- (d) Cost and pricing data, bills of material, rate information (i.e., Offeror's proposal) to ascertain fair and reasonableness of offers obtained for FAA defined requirements.
- (e) Other supporting information in support of Offeror's proposal in (d) above.
- (f) Subcontractor cost and pricing data.
- (g) Offeror/Contractor information for audit purposes (rate, estimating, financial, accounting, property, etc.).
- (h) Contractor retention of records.
- (i) Cost Performance Measurement Records to provide the FAA with an accurate measure of contract performance.
- (j) Cost Accounting Standards as established in 48 CFR 99.
- (k) Small Business Utilization outreach efforts to ensure meeting the high FAA priority of increasing economic opportunity to the SB community.
- (l) Small Business evidence of eligibility through a business declaration form.
- (m) Job creation and retention information, subcontract identification and amounts, and compensation of certain officers of contractors and subcontractors, as required under the American Recovery and Reinvestment Act.

3. Describe whether, and to what extent, the collection of information involves the use of automated electronic mechanical, or other technological collection techniques, e.g. permit electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

In order to comply with the Government Paperwork Elimination Act (GPEA), the FAAAMS employs a number of improved information technology techniques to reduce the collection burden. The FAAAMS is employing many on-line acquisition aids at each workstation. This allows the collection of information from outside the agency to take the form of requesting and receiving information electronically via the Internet through electronic mail, bulletin boards, etc. It also entails requesting information via magnetic media and receiving information via videotape medium. The FAAAMS and its implementing instruction is on the Internet. Additionally, The Procurement

Toolbox, associated forms and implementation of electronic signature wherever practicable are included.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Efforts to avoid duplication of these requirements were accomplished by a concentrated effort to prepare the FAAAMS with this in mind. Maintaining the lack of duplication in data collection will be accomplished by: (a) continuous surveillance of the acquisition process and the procedures outlined in the FAAAMS; (b) careful review of proposed changes to the FAAAMS; and (c) providing one location within the FAA Acquisition Organization (AJA-43) for the final review of all proposed acquisition regulations for the FAA. Approval and implementation in matters of avoiding duplication is the responsibility of the Acquisition System Advisory Group (ASAG), which meets periodically for that purpose.

Similar information is not already available. The collection of this information from offerors/contractors is needed to protect the interest of the FAA necessary to evaluate offerors, and the flying as well as taxpaying public in general.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe methods used to minimize burden.

As the entire FAAAMS was reformed to produce less burdensome, quicker, more efficient acquisitions, the Small Business Utilization Program (SBUP) (described in the FAAAMS) was also written to minimize the burden on the small business community. The FAAAMS has been designed to fit the dollar value and complexity of the acquisition at hand. It generates fewer requirements of the small business, and generally results in small businesses being awarded a high volume of less complex, lower dollar value contracts. Only a minimal number of statutory requirements still apply to the small business community, and no additional reporting requirements have been added. Following contract award, any data collection requirements that remain on a small business contractor are directly reimbursed.

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

frequently, as well as any technical or legal obstacles to reducing burden.

There are absolutely no identifiable technical or legal obstacles to reducing the burden. If collection as described herein is not conducted, it could adversely impact the FAA's ability to effectively and timely conduct acquisitions and procurements, as well as monitor and maintain contract progress. Thus, it could adversely impact the timeliness of fielding much needed National Airspace System equipment and services and thus adversely impact on the FAA's ultimate mission of providing a safe, efficient and economical aviation system for the users of the National Airspace. Also, if information is not collected, or is collected less frequently under the American Recovery and Reinvestment Act, taxpayers would lack the transparency necessary to ensure that tax dollars are being spent in an appropriate manner.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2)(i)-(viii).

There are no identifiable circumstances that would require the collection of information to be conducted in a manner inconsistent with the guidelines of 5 CFR 1320.5(d)(2)(i)-(viii).

8. Describe efforts to consult with persons outside the agency to obtain their views on data the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The initial efforts at consultation upon the inauguration of the FAAAMS were as follows: Through the efforts of completely writing the whole FAAAMS, the FAA acquisition organization conducted several outreach activities which involved a representative sample of contractors currently doing business with the FAA, small business representatives, individuals on a blue ribbon panel and other government agency representatives. Subsequently, annual reviews have been held.

The following outreach organizations/contractors/individuals were personally involved in providing substantive input through various special outreach sessions as to the reasonableness of the new FAAAMS and the data requirements it imposed. These entities expended approximately 40 hours and include the following:

ANDERSON LITTLE CONSULTING
AT&T
AMERICAN EXPRESS

BOEING
CENTEX

In addition, public comment was obtained on the FAAAMS through the Federal Register publication. On 26 February 1996, the FAA's interim final regulation was published in the Federal Register. A sixty-day comment period allowed other persons outside the agency to review and then provide their views on the availability of data, frequency of collection, and clarity of instructions and recordkeeping, disclosure, or reporting format, and on the data elements to be recorded, disclosed, or reported. Comments received were evaluated and where appropriate, incorporated into the final version of the FAAAMS that was issued on April 26, 1996.

A 60-day notice for public comments in advance of this re-submission was published on May 14, 2008, vol. 73, no. 94, page 27887. No comments were received.

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

No payment or gift of any kind will be provided to respondents.

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

Respondents are given no statutory assurances of confidentiality. The FAAAMS allows protection of rights in data and proprietary information when so designated by an offeror or contractor by providing a variety of clauses designed to delineate the respective rights and obligations of the Government and the contractor.

11. Provide additional justification for any questions of a sensitive nature.

The FAAAMS does not require the collection of private information or other information of a sensitive nature that is not currently associated with acquisition of supplies, services, real property, etc.

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

Two distinct methodologies for identifying requirements for information collection are possible and can be identified in the FAAAMS (or in the Procurement Toolbox requirements associated with the FAAAMS.) The first such methodology consists in reliance upon forms, and on forms completion requirements. The other methodology relies upon analysis of the sometimes

only generalized wording of the FAAAMS text, itself, in order to ascertain what specific elements of information are required, e.g. a broad requirement for cost data, or for market survey data. In the present estimates, we rely upon the forms as the primary focus for calculating the burden hours and costs, supplemented in certain cases, as necessary, by recourse to the FAAAMS text.

The Public Burden is as follows:

The information collection burden on the public, based upon a summary of all the applicable forms and items, is:

<u>Form #</u>	<u>Frequency of Response per Year</u>	<u>Burden Hours Per Response</u>	<u>Annual Burden Hours</u>
Various*	264,718	Variable	2,003,059

Forms are reproduced in the Procurement Toolbox, that implements the FAAAMS. A copy of the FAAAMS is available on the internet at <http://fast.faa.gov/Index.html>).

While the forms are explicit as to what elements of information are required, the basis for the requirement resides in the sometimes broadly worded provisions of the FAAAMS. Some examples of the requirements in the FAAAMS follow:

<u>FAAAMS Cite</u>	<u>Nature of Burden</u>
§ 3.2.2.5.1	Market Analysis, Market Survey Information
§ 3.2.2.3 3.2.1.3	Request for Information/ Qualification Information, Draft Solicitation
§ 3.2.2.3.1.2 3.2.2.5.3	Screening Information Request Qualification Information Screening Information

Request for Offers

§ 3 2.3.3.1.1

Cost and Pricing Data

§ 3.3.2

Contract Cost Principles

§ 3 2.3.3.2

Cost Accounting Standards

It is estimated that the applicable hourly burden rate for the public to produce the information required is approximately \$98 per hour. This is based on a 2002 rate of \$82.00, adjusted for inflation, published by the Business Advisory Council on Federal Reports (BACOFR). Application of this estimated hourly rate to the burden hours allocated to the respondents/recordkeepers derives a total cost to the public of \$165,436,152.

For Recovery Act reporting purposes, three forms will be used to collect data from contractors about jobs created and retained, subcontractor data such as numbers and amounts, and names of most highly compensated officers of contractors and subcontractors:

Prime Contractor and Subcontract Employment Report
Subcontracts Report
Highly Compensated Officers Report

Prime Contractor and Subcontract Employment Report estimated time to complete is monthly, 2 hours each time. The annual estimate of time to complete is 24 hours. Subcontracts Report estimated time to complete is monthly, 2 hours each time. The annual estimate to complete is 24 hours.

Highly Compensated Officer Report estimated time to complete is 30 minutes. The report is submitted one time, and updated as needed. The annual estimate to complete is 1 hour.

Approximate total annual burden hours for Recovery Act reporting
= 49 hours

Estimate of number of respondents = 10
(Estimate of the number contracts under which Recovery Act reporting will be required)

Estimate of total annual cost to respondents = 0
(Information to be collected is readily available in contractor's finance and contracting records and payroll systems)

Revised Total Annual Burden Hours = 2,003,059

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

We estimate that there will be no additional costs associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

Data from the FAA's PRISM System show that there are approximately 6,487 FAA active contracts which will require the contractors to be responsible, broken down as follows:

<u>CATEGORY</u>	<u>TOTALS</u>	<u>Over \$1 million</u>
Small Business Contracts	3,517	189
SB 8(a) Contracts	452	38
Sole Source Other than SB	993	57
Competitive Other than SB	1,432	133
Construction Contracts	93	3
Totals	6,487	420

Note: Additionally, there are 9,500 real property lease agreements.

We estimate the Government's burden to review and evaluate the information to be 1,688,124 hours. This includes all source evaluation, bid evaluation, and post award activities generated by the FAAAMS information/record keeping requirements. We apply an average hourly rate of \$40.00, which includes the salary of a GS-12 step 5 (Jan 2005), and also includes a benefits rate of 21%, and an overhead rate of 17%. Based upon this, we estimate that the Government's total burden cost to be approximately \$67,524,960.

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

The increase in burden is due new information being collected for the American Recovery and Reimbursement Act of 2009.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used.

Generally, there is no requirement for any of the information collected pursuant to the FAAAMS to be published for statistical use. However, in the case of the American Recovery and Reinvestment Act, the results of the collection of information will be published on the Internet.

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

We are seeking approval to not display an expiration date. Since so many recurring forms, including standard forms, are available for use both on- and off-line, it would not be practical to keep the forms dated and to be required to destroy dated, unused stock or to change electronic versions.

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

There are no exceptions.

On Block 9 of the attached draft form (Percent completed), how does FAA typically collect this information, i.e. is this based on budget amounts or schedule, or a combination? It seems it might be useful to have more insight into schedule, performance, and budget data on the recovery act projects.

Block 9 has been removed the more current draft of the form. This newer draft is attached in the ROCIS system and replaces the previously attached one.