

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0067, INCENTIVE CONTRACTS**

1. Administrative requirements. Incentive contracts are normally used when a firm fixed-price contract is not appropriate and the required supplies or services can be acquired at lower costs, and sometimes with improved delivery or technical performance, by relating the amount of profit or fee payable under the contract to the contractor's performance.

The information required periodically from the contractor--such as cost of work already performed, estimated costs of further performance necessary to complete all work, total contract price for supplies or services accepted by the Government for which final prices have been established, and estimated costs allocable to supplies or services accepted by the Government and for which final prices have not been established--is needed to negotiate the final prices of incentive-related items and services.

2. Uses of information. The contracting officer evaluates the information received to determine the contractor's performance in meeting the incentive target and the appropriate price revision, if any, for the items or services.

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 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. Collection of information on a basis other than solicitation-by-solicitation is not practical.

7. **Special circumstances for collection.** 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 and each comment addressed before finalization of the text. A current notice published in the *Federal Register* at 73 FR 74712, on December 9, 2008, which 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 remunerations 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 to read and prepare information is estimated at 1 hour per completion.

| | |
|---------------------------------|--------------|
| Estimated respondents/yr..... | 3,000 |
| Responses annually..... | <u>x 1</u> |
| Total annual responses..... | 3,000 |
| Estimated hrs/response..... | <u>x 1</u> |
| Estimated total burden/hrs..... | 3,000 |
| Cost per hour..... | x \$33 |
| Benefits and overhead..... | <u>+ 75%</u> |
| Estimated cost to public..... | \$173,250 |

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 1 hour per response.

Annual Reporting Burden and Cost

| | |
|------------------------|----------------|
| Reviewing time/hr..... | 1 |
| Responses/yr..... | x <u>3,000</u> |
| Review time/yr..... | 3,000 |
| Average wages/hr..... | <u>x \$28</u> |
| Average wages/yr..... | \$84,000 |

| | |
|----------------------------|-----------|
| Benefits and overhead..... | + 50% |
| Total Government cost..... | \$126,000 |

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 Federal Acquisition Regulation (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.