

OMB CASE 0704-397
SUPPORTING STATEMENT

A. Justification

1. This is a request for an extension of the expiration date of the information collection requirement currently approved under OMB Control Number 0704-0397, Contract Modifications-Defense Federal Acquisition Regulation Supplement (DFARS) Part 243 and Associated Clauses at 252.243. The approval for 0704-0397 expires on July 31, 2009. We are requesting a total of 2,120 hours, which does not represent any increase in the prior level approved.

10 U.S.C. 2410(a) requires certification at the time of submission, that the request is made in good faith, and that the supporting data are accurate and complete to the best of the contractor's knowledge and belief (TAB A). The clause at DFARS 252.243-7002, Requests for Equitable Adjustment, implements this statutory requirement and also clarifies the requirement for full disclosure of all relevant facts (TAB B).

2. DoD contracting officers and auditors use this information to evaluate requests for equitable adjustment.

3. Improved information technology is used to the maximum extent practicable. Where both the DoD and prospective offerors/bidders are capable of electronic interchange, this information collection requirement may be submitted electronically.

4. As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) and the DFARS to determine if adequate language already exists. This request for information does not duplicate any other requirement.

5. The collections associated with small businesses are the minimum consistent with applicable laws, regulations, and prudent business practices.

6. This information is collected on occasion, only when the contractor submits a request for equitable adjustment. Collecting this information less frequently would not comply with the certification requirements of 10 U.S.C. 2410(a).

7. The information will not be collected in a manner that requires an explanation of special circumstances.

8. Public comments on the information collection requirement were solicited in the Federal Register on April 22, 2009 (74 FR 18355) (TAB C). We received no comments.

9. No payment or gift will be provided to respondents to this information collection requirement.

10. 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. No sensitive questions are involved.

12. Estimated annual cost to the public.

The estimated hour burden of the collection of information and the estimated annualized cost to respondents were based on information obtained from the Defense Contract Audit Agency and estimates of processing times from contracting professionals familiar with the solicitation process. The burden addressed in this information collection requirement is the burden of preparing, submitting, and certifying the data in support of a request for equitable adjustment.

252.243-7002, Requests for Equitable Adjustment, paragraphs (a) and (b). This clause is prescribed at 243.205-71 for use in all solicitations and contracts estimated to exceed the simplified acquisition threshold. Based on information provided by Government personnel experienced in the subject area, we estimate approximately 440 respondents, of which approximately 240 submit requests for equitable adjustment in excess of \$650,000. Since cost or pricing data is required at the threshold of \$650,000, the additional burden of this certification is minimal. The estimated cost of \$35.63 per hour is based on the equivalent of a GS-11, step 5 salary plus 32.45 percent burden:

	\$100K- \$650K	>\$650K	TOT
Respondents	200	240	440
Responses/respondent	<u>1</u>	<u>1</u>	<u>1</u>
Responses	200	240	440
Hours per response	<u>10</u>	<u>.5</u>	<u>4.8</u>
Total hours	2,000	120	2,120
Cost per hour		x \$35.63	
Total annual cost to public			\$75,536

13. We estimate no cost burden other than the hourly burden shown in Item 12.

14. Estimated annual cost to the Government.

252.243-7002, Certification of Requests for Equitable Adjustment, paragraphs (a) and (b). We estimate the annual cost to the Government to review and analyze the responses to this information collection requirement to be approximately 100 hours per response up to \$650,000. Above \$650,000, cost or pricing data is generally required, and the incremental review necessitated by this certification is minimal (estimated at .5 hours per response). The cost of \$35.63 per hour is based on GS-11, step 5 salary plus 32.45 percent burden.

	\$100K- \$650K	>\$650K	TOT
Responses	200	240	440
Hours per response	<u>100</u>	<u>.5</u>	<u>45.7</u>
Total hours	20,000	120	20,120
Cost per hour		x <u>\$35.63</u>	
Total annual cost to Government		\$716,876	

15. Results of this information collection will not be published.

16. We do not seek approval not to display the expiration date for OMB approval of the information collection.

17. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

B. Collections of Information Employing Statistical Methods.

Results will not be tabulated. Statistical methods will not be employed.