**SUPPORTING STATEMENT**
**FOR PAPERWORK REDUCTION ACT SUBMISSION**
**9000-0074, CONTRACT FUNDING LIMITATION OF COSTS/FUNDS**


1. **Administrative requirements**. Firms performing under Federal cost-reimbursement contracts are required to notify the contracting officer in writing whenever they have reason to believe that—

(a) The costs the contractors expect to incur under the contracts in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of the estimated cost of the contracts; or

(b) The total cost for the performance of the contracts will be greater or substantially less than estimated. As a part of the notification, the contractors must provide a revised estimate of total cost.

2. **Uses of information.** The information is used to avoid cost overruns and to assure that money is available to complete work under Federal contracts.

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 person 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 notice published in the *Federal Register* at 74 FR 30092, June 24, 2009. 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.** 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 hours and cost burden.** Time required to read and prepare information is estimated at 30 minutes per completion.

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Estimated respondents/yr............................    53,456
Responses annually..................................       x 1
Total annual responses..............................    53,456
Estimated hrs/response..............................      x .5
Estimated total burden/hrs..........................    26,728
Estimated cost to public ........................ $1,110,480
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14. **Estimated cost to the Government**. Time required for Governmentwide review is estimated at 30 minutes per response.

<u>Annual Reporting Burden and Cost</u>

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Reviewing time/hr...................................        .5
Responses/yr........................................  x 53,456
Review time/yr......................................    31,728
Average wages/hr....................................     x $16
Average wages/yr....................................  $427,648
Benefits and overhead...............................    + 100%
Total Government cost............................... $ 855,296
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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.