

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION  
9000-0108, BANKRUPTCY**

**A. Justification.**

1. **Administrative requirements.** Under statute, contractors may enter into bankruptcy which may have a significant impact on the contractor's ability to perform its Government contract. The Government often does not receive adequate and timely notice of this event.

2. **Uses of information.** The subject contract clause requires contractors to notify the contracting officer within five days after the contractor enters into bankruptcy.

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 notice published in the *Federal Register* at 74 FR 27799, June 11, 2009, made this requirement

available to the public and requested comments. No problems regarding this requirement were reported.

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 1 hour per response.

Annual Reporting Burden

|                                 |   |          |
|---------------------------------|---|----------|
| Estimated respondents/yr.....   |   | 1,000    |
| Responses annually.....         | x | <u>1</u> |
| Total annual responses.....     |   | 1,000    |
| Estimated hrs/response.....     | x | <u>1</u> |
| Estimated total burden/hrs..... |   | 1,000    |

Annual Recordkeeping Burden

|                                       |   |            |
|---------------------------------------|---|------------|
| Number of recordkeepers.....          |   | 1,000      |
| Annual hours per recordkeeper.....    | x | <u>.25</u> |
| Total recordkeeping burden hours..... |   | 250        |

Annual Cost to the Public

|  |   |             |
|--|---|-------------|
| Total response and recordkeeping burden hours..... |   | 1,250       |
| Average wages + overhead (\$24 + 75% OH).....      | x | <u>\$42</u> |
| Total cost to the public.....                      |   | \$52,500    |

14. **Estimated Cost to the Government.** Time required for Governmentwide review is estimated at 30 minutes per response.

Annual Reviewing Burden and Cost

|                                   |   |            |
|-----------------------------------|---|------------|
| Total annual responses.....       |   | 1,000      |
| Review time per response/hrs..... | x | <u>.50</u> |

|  |   |             |
|--|---|-------------|
| Total burden hours.....                            |   | 500         |
| Average wages + overhead (\$20/hr. + 100% OH)..... | x | <u>\$40</u> |
| Total Government cost.....                         |   | \$20,000    |

**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 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.