

111SUPPORTING STATEMENT
U. S. Department of Agriculture
Progress Reporting Clause
OMB Control No. 0505-0016

A. Justification.

1. Need for data collection. In order to obtain goods or services, the U.S. Department of Agriculture (USDA), like other Federal agencies, has established agency contracting offices to enter into Federal contracts. These offices employ contracting officers, who request bids or offers for work from businesses in the private sector using solicitations. Nonprofit institutions or state or local government institutions may also submit bids or offers. Contracting officers award contracts to successful bidders or offerors (contractors) based on their bids or offers. Clauses in the solicitation are called "provisions" when they are not to be incorporated in the contract, and "clauses" when they become parts of the contract terms and conditions. After award of a contract, the contracting officer, or a designee, monitors and manages the contract; i.e., performs contract administration.

In order to administer contracts for research and development (R&D) or for advisory and assistance services (AAS), contracting officers need information about contractor progress in performing the contracts. The Agriculture Acquisition Regulation (AGAR) (48 CFR ch. 4) prescribes the Progress Reporting Clause to collect information about contractor progress. A copy of the prescription (48 CFR 437.270(a)) and the Progress Reporting Clause (48 CFR 452.237-76) are included as Attachment A. Contracting officers include the Progress Reporting Clause in contracts for advisory and assistance services (AAS), research and development (R&D) and other service contracts as needed to obtain information from the contractors about their performance. If contracting officers could not obtain progress report information, they would have to physically monitor the contractor's operations on a day to day basis throughout the performance period.

2. Purpose for which information will be used. Contracting officers insert the Progress Reporting clause in AAS, R&D and other service contracts, such as contracts for software development or studies. The information is used to compare actual progress and expenditures to anticipated performance and contractor representations on which the award was based. The information alerts the agency to technical problems; to the need for additional staff resources or funding; and to the probability of timely completion within the contract cost or price.

3. Use of improved information technology. Oral transmission is impracticable. Transmission as an electronic file may be practicable, but would not reduce the information collection burden. Furthermore, the clause does not preclude acceptance of such a file as a submission in writing. We do not consider it advisable to require submission of the information as an electronic file. Such a requirement would restrict the contractor and the contracting officer without achieving any reduction in collection burden.

4. Efforts to identify duplication. There is no similar, generic, information available for the purpose. No similar information is available. Information is unique to each project and must be collected for each contract, if needed.

5. Impact on small entities and efforts to minimize burden. This information collection will not have a significant economic impact on a substantial number of small entities.

6. Program consequences if collection is not conducted or conducted less frequently. Progress information is collected at a frequency determined by the contracting officer to be necessary for the type of work performed. Arbitrary reduction of this frequency intrudes on the judgment of the contracting officer and may jeopardize the agency's ability to monitor contractor progress. Failure to collect the information also would make it difficult to administer contracts. Without progress reports, agencies may not receive the performance contracted for at the contract price agreed. Costly modifications and performance delays would ensue. Furthermore, contractors would not benefit. Performance problems now caught by review of progress reports would go uncorrected until it was too late.

7. Special circumstances. Requiring respondents to report information to the agency more often than quarterly.

Progress report information is collected at a frequency determined by the contracting officer to be necessary for the type of work performed. In many cases, progress reports are required monthly. The frequency of reporting depends, among other factors, on the criticality of the service performed, the production schedule, and the nature of the project.

There are no other special circumstances that require information collection inconsistent with 5 CFR 1320.5.

8. 5 CFR 1320.8(d) Solicitation of Comments. A 60 day notice was published in the Federal Register on November 30, 2009, Vol. 74, No. 228, page 62552. No public comments were received in response to that notice.

9. Payments or gifts to respondents. No payments or gifts have been, or will be, made to respondents.

10. Confidentiality. The information collection involves contract performance, which is not confidential in nature.

11. Sensitive questions. There are no sensitive questions involved in this information collection.

12. Estimation of information collection burden. Information is collected on a monthly or quarterly basis from contractors for advisory and assistance, R&D or other required services. Based on FY 2009 data, we estimate that USDA has no more than 10,000 advisory and assistance, R&D or other service contracts requiring this clause in any year. Based on monthly reporting, contractors would submit

120,000 responses annually. At an estimated one hour to prepare each response, the annual information collection burden is 120,000 hours. The estimated annualized burden hour cost to respondents is \$3,515,885, calculated as follows:

Burden hours are estimated at 75 percent professional hours and 25 percent clerical hours. Hourly Federal equivalent pay rates (January 2009) at GS 11/1 and GS 4/1 respectively were used in calculations.

Direct costs (labor):

Professional:	(75% of 120,000 hrs @ 29.22) =	\$ 2,629,800
Clerical:	(25% of 120,000 hrs @ 14.25) =	<u>427,500</u>
Subtotal:		\$ 3,057,300

Indirect Costs:

Overhead @ 15% of direct costs	<u>458,585</u>
Total Respondent costs:	\$ 3,515,885

13. Estimates of annualized cost to respondents (excluding burden hour costs).

- (a) There is no capital or start up costs associated with this collection.
- (b) There are no operation and maintenance costs associated with this collection.

14. Estimates of annualized cost to the Federal Government. The estimated annual cost to the Federal Government, is \$3,235,284, calculated as follows:

Government burden is estimated as equal to the number of respondent burden hours. Burden hours are split 75 percent at an average GS-1102-10/2 and 25 percent clerical at an average GS 4/1. The contract clause is approximately ½ page of a multi-page document; printing and mailing costs attributable to this clause are negligible. Furthermore, the procedure for distributing solicitations containing this provision is changing. USDA solicitations are now available to prospective offerors electronically through a single Government-wide point of entry (FedBizOpps), thus requiring neither printing nor mailing. Costs to the Government are offset by savings realized from efficient allocation of administrative resources. Labor costs attributable to the collection are estimated as follows:

Direct costs (labor):

Professional:	(75% of 120,000 hrs @ 27.49) =	\$ 2,474,100
Clerical:	(25% of 120,000 hrs @ 14.25) =	<u>427,500</u>
Subtotal:		\$ 2,901,600

Indirect Costs:

Benefits @ 11.5% of direct costs	<u>333,684</u>
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Total Government costs:

\$ 3,235,284

15. Reasons for changes in items 13 and 14. The increase in burden is an adjustment resulting from more accurate agency estimates. Previously 116,400 contracts that should have been part of this collection were not included. Correcting the collection by including these contracts caused the burden to increase by 116,400 hours.

However, the agency has also learned, based on discussions with the affected public, that responding to this collection takes only 1 hour, not one-and-a-half hours, as previously reported. Adjusting all responses to one hour of reporting time and including these additional responses has led to a net increase of 114,600 hours for this collection.

16. Planned publication. The results of this collection of information will not be published.

17. Expiration date on form. The requested information collection is required by contract clause and does not involve a form.

18. Exception(s) to certification statement. No exceptions to the certification statement are requested.