

SUPPORTIN STATEMENT FOR
INFORMATION COLLECTION 9000-0006; SUBCONTRACTING
PLANS/SUBCONTRACT REPORT FOR INDIVIDUAL CONTRACTS

A. Justification.

1. Administrative requirements. In accordance with the Small Business Act (15 U.S.C. 631, *et seq.*), contractors receiving a contract for more than \$10,000 agree to have small, small disadvantaged, women-owned small, HUBZone small, veteran-owned small, and service-disabled veteran-owned small business concerns participate in the performance of the contract as far as practicable. Contractors receiving a contract or a modification to a contract expected to exceed \$550,000 (\$1,000,000 for construction) must submit a subcontracting plan that provides maximum practicable opportunities small, small disadvantaged, women-owned small, HUBZone small, and service-disabled veteran-owned small business concerns, and veteran-owned small business concerns. Specific elements required to be included in the plan are specified in section 8(d) of the Small Business Act and implemented in Federal Acquisition Regulation (FAR) Subpart 19.7.

In conjunction with these plans, contractors must submit semi-annual reports of their small business subcontracting progress to the government. With the exception of those contracts noted in FAR 4.606 which states “Actions that pursuant to other authority will not be entered in FPDS (e.g., reporting of the information would compromise national security”, contractors must use the electronic Individual Subcontract Report (ISR) in lieu of the Standard Form 294, Subcontracting Report for Individual Contracts). Those contract actions noted in FAR 4.6.6 will continue to use the Standard Form 294. The IRS in the Electronic Subcontracting Reporting System (eSRS) is the electronic equivalent of the Standard Form 294, Subcontracting Report for Individual Contracts.

2. Uses of information. A satisfactory subcontracting plan is required before a contract exceeding \$550,000 (\$1,000,000 for construction) can be awarded. The contracting officer must examine the information in the proposed plan to determine if the plan is in compliance with the Small Business Act and the FAR. In addition, the information is used for policy and management control purposes. The Individual Subcontracting Report data submitted is used to assess contractors' compliance with their subcontracting plans.

3. Consideration of information technology. Contractors are using the governmentwide Electronic Subcontracting Reporting System (eSRS).

4. Efforts to identify duplication. This requirement is 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. Small businesses are not required to submit subcontracting plans or reports.

6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently. Information similar to that submitted on the Individual Subcontract Report is not already available to the contracting officer. Without the proposed information collection, the Federal Government will lack sufficient data pertaining to the use of small business concerns and the various socioeconomic categories under the small business subcontracting program.

7. Special circumstances for collection. Collection of information related to the plan must be done prior to award of the contract. Under sealed bid solicitations, plans must be submitted with bids so that all firms can be evaluated equally. Plans under negotiated acquisitions may be required only from the firm(s) being considered for award or, if the contracting officer determines it necessary, submitted with initial offers. Collection is generally 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. The Interim rule published in the *Federal Register* at 73 FR 21779, on April 22, 2008. 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 hour and cost burden. Time required for development of the plan, reading, preparing information and data entry into eSRS is estimated as follows:

Estimated respondents.....	103,908
Average responses annually.....	3
Total annual responses.....	311,724
Estimated hrs/response.....	11.90
Total hours for SF 294.....	3,709,516
Hourly rate.....	\$26
Total cost.....	\$96,447,405

Task is expected to be accomplished by midlevel personnel equivalent to a GS-11, step 5, salary.

14. Estimated cost to the Government.

Annual Recordkeeping Burden and Cost

Number of responses per year	103,908
Hours per response	<u>3</u>
Total hours	311,724
Hourly rate (including overhead)	<u>x\$26</u>
Total cost	\$8,104,824

Task is expected to be accomplished by midlevel personnel equivalent to a GS-11, step 5, salary

15. Explain reasons for program changes or adjustments reported in Item 13 or 14.

The Federal Acquisition Regulation has been revised to implement the governmentwide Electronic Contracting Reporting System (eSRS). eSRS is intended to streamline the small business subcontracting program reporting process and provide the data to agencies in a manner that will enable them to more effectively manage the program. This rule implements in the FAR the use of eSRS to fulfill small business subcontracting reporting requirements and replaces the Standard Form 294, Subcontracting Report for Individual Contracts, and the Standard Form 295, Summary Contract Report, currently in the FAR.

The adjustments for this reporting requirement have drastically changed. Before the implementation of eSRS, the government did not really have an accurate count of the number of individual subcontracting plans and the number of Standard Form 294s being collected for individual subcontracting plans. With the electronic subcontracting reporting system, the government is now able to obtain a more accurate number of those contractors with individual subcontracting plans and Individual Subcontract Reports. Although the number of subcontracting plans and individual subcontracting reports has significantly increased, the electronic system shortens the length of time for reporting the subcontracting achievements.

It is estimated that the revision due to the eSRS will revise development of the plan to 9 hours and revise reporting/recordkeeping to 2.90 hours. Total hours for ISR are 11.9 hours for reporting into eSRS and development of the plan which results in a total of 3,709,515 hours. Program change is 2,970,290 hours (3,709,515 hours – 739,225).

16. Outline plans for published results of information collections. Results will be collected by and available through the Federal Procurement Data Center.

Approval not to display expiration date. Not applicable.

17. Explanation of exception to certification statement. Not applicable.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.