

**Supporting Statement for Information Collection:  
GSA Form 1217, Lessor's Annual Cost Statement**

**Justification.**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

In accordance with the proposed GSAR 570.802 (d), the GSA Form 1217 is used to obtain information about operating expenses for property being offered for lease to house Federal agencies. These expenses are normally included in the rental payments we make to lessors. The form also provides an equitable way to compare lessor proposals, and it provides costs of building expenses that can be negotiated to obtain fair and reasonable prices.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The form is provided to offerors to use as part of their proposal, and the collected information is used by leasing contracting officers to evaluate proposals submitted in a competitive or non-competitive environment.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

Currently, proposals are manually completed and submitted by offerors. This form is electronically available and can be posted electronically for solicitation purposes. Security of electronic proposals has not yet been perfected, but is being pursued. The marketplace does not yet support use of electronic solicitations and submission of offers solely.

Offerors do compile the same data for their building expenses for their tax returns and to budget for upcoming years' operating expenses so they are not normally compiling this information solely to respond to our solicitations. While the bulk of the information might be available in their TurboTax (or other application), those automated systems may include personal identification information that we are not prepared to protect.

In addition, GSA Form 1217 is an excel version with embedded mathematical functions to automatically calculate the proration of the building's costs and to calculate the per square foot rate. These functions embedded in the cells are password protected to reduce chances of miscalculations.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The nature of this requirement is such that it relates to a single procurement/lease, therefore limited duplication exists. If a building owner offers proposals for more than one procurement, one column of information (the entire building expenses) would be unchanged in a given fiscal year with the column related to percentage of offered space changing based on the amount of solicited space. We have set up the form in a spreadsheet rather than a document so the percentages and totals can be calculated more rapidly.

**5. If the collection of information impacts small businesses or other small entities (item 5), describe any methods used to minimize burden.**

The burden applies equally to small businesses that choose to do business with GSA. This information collected is necessary to meet the specific objectives of the solicitation or contract.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

GSA would be unable to readily and equitably evaluate offers fairly and competitively.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner requiring respondents to:**

- **Report information to the agency more often than quarterly;**
- **Prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **Submit more than an original and 2 copies of any document;**
- **Retain records, other than health, medical, government contracts, grant-in-aid, or tax records, for more than 3 years;**
- **In connection with a statistical survey, that is not designed to produce valid, reliable results that can be generalized to the universe of study;**
- **Require the use of a statistical classification that has not been reviewed and approved by OMB;**

- **Include a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **Submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

Our solicitations include a provision that allows offerors to restrict disclosure and use of data and provides instructions to implement the restriction. No other special circumstances apply.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

A proposed rule published in the *Federal Register* at 74 FR 63704, on December 4, 2009. No comments were received.

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

We have consulted several commercial brokers who do business with GSA and who are representative of the target audience to use the form and provide the information. They concurred that the data is readily available for existing buildings, collecting the information for each procurement is reasonable, and the data elements are typical of expenses reported to IRS by any diligent building owner.

For existing buildings, it takes approximately 1 hour to provide the information. For projects where a developer must construct a building to be leased to the Government, estimating building expenses is more time-consuming since there

is no historic data. They estimated approximately 3 hours for the information collection, however the number of new lease construction projects compared to all other types of projects is so small, the effects are negligible.

Time and cost estimates are based on a combination of historical data and professional judgment.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

N/A

**10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.**

The information collected is overhead and operating costs and as such is protected from disclosure under the Freedom of Information Act. See GSA's internal FOIA procedures at [http://insite.gsa.gov/CPOfiles/html/FOIA/gyjd\\_exempt.htm#Fourth\\_Statutory\\_Exemption](http://insite.gsa.gov/CPOfiles/html/FOIA/gyjd_exempt.htm#Fourth_Statutory_Exemption).

**5 U.S.C. 552(b)(4); Fourth Statutory Exemption**

GSA may withhold commercial or financial records if release of the information would involve a substantial risk of competitive injury to a business that directly or indirectly furnished the information to GSA or when release would impair the Government's ability to obtain this information in the future. Sample denial letters under Exemption 4 are at <http://insite.gsa.private/admin/denial.htm>. Carefully scrutinize all requested correspondence and other information submitted by a person [e.g., business] since it may contain confidential business data interspersed throughout what is otherwise factual documentation regarding the offer. Lease files are especially likely to contain information protected from release under this exemption. Correspondence from prospective lessors frequently reveals information regarding the manner in which a prospective lessor operates or manages its building, which, if released, could be commercially harmful to the lessor in subsequent leasing actions for non-Government space within the building. Examples of proprietary business information that may qualify for this exemption include:

- \*Private business sales statistics.
- \*Technical designs.
- \*Research data.
- \*Non-Federal customer and supplier lists.
- \*Overhead and operating costs.
- \*Non-public financial statements.
- \*Resumes of company employees.
- \*Names of consultants and subcontractors.

\*Details of production or quality control systems information.

\*Internal operating procedures and staffing patterns.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

No sensitive questions are involved.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13.**

The burden computation is based on the assumption that roughly one third of GSA inventory has some sort of project action associated with it each year. For each project action, we estimate 2 responders as many would be sole source actions (e.g., expansion in existing space). We assume existing buildings are being solicited.

<b>Number of Burden Respondents</b>	<b>Frequency of Response</b>	<b>Annual Hour Burden</b>	<b>Annual Estimate</b>
5,733	1 x year	1 hour	5,733 hours

**Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

Total annual responses	5,733
Estimates hours/response	1 hr (average)
Estimated total burden/hrs	5,733
Average cost per hour	x \$28 hr
Total cost to the public	\$150,524

**13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)**

- The cost estimate should be split into two components: (a) total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling, and testing equipment, and record storage facilities.
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995; (2) to achieve regulatory compliance with requirements not associated with the information collection; (3) for reasons other than to provide information or keep records for the Government or (4) as part of customary and usual business or private practices.

No extra start up or maintenance systems are required to generate the information being collected. It is already being collected for tax returns separately from our requirement.

**14. Provide estimates of annualized costs to the Federal Government. Also, provide a description of the method used to estimate cost, which should include qualification of hours, operational expenses (such as**

equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

Reviewing time/hour	1 hr
Responses/yr	<u>5,733</u>
Review time/yr	5,733
Average cost per hour	<u>\$32.00*</u>
Total Government cost	\$183,456.00

This cost is a worst case scenario. We used a GS 12, step 5 on the FY2008 General Schedule pay table issued by OPM. Many of those who will review the information collected on the GSA Form 1217 are lower graded personnel.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14.**

N/A

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

Results will not be tabulated or published. Data collected will be used for internal negotiation of contracts.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

GSA is seeking approval not to display expiration date on the form because does not need to be updated and this will alleviate a redistribution of forms currently in circulation and used by the agency and other agencies.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions".**

N/A.

**B. Collections of Information Employing Statistical Methods.**

Statistical methods are not used in this information collection.