

SUPPORTING STATEMENT FOR REQUEST FOR APPROVAL UNDER
THE PAPERWORK REDUCTION ACT AND 5 CFR 1320

SECTION A. JUSTIFICATION

1. Section 635(b) of the Foreign Assistance Act (FAA) authorizes USAID to contract with any corporation, international organization, or other body or persons in or outside of the United States in furtherance of the purposes and within the limitations of the FAA. Attachment 1 to this Justification contains the information collection requirements placed on the public by the USAID Acquisition Regulation (AIDAR), published as 48 CFR Chapter 7. These are all USAID unique procurement requirements. Information collection requirements for the pre-award stage are needed to ensure Agency contracting personnel can exercise prudent management in determining that an offeror either has or can obtain the ability to competently manage development assistance programs utilizing public funds. Information collection requirements during the post-award period are needed to administer public funds prudently. See Attachment 1 for brief statements of specific circumstances applicable to individual collections. Copies of the applicable sections of the AIDAR establishing the information collections are attached as Attachment 2.

2. The collections shown in Attachment 1 are required to award and administer USAID contracts. The most frequently used form is the Employee Biographical Data Sheet, AID Form 1420-17. Offerors (at the pre-award stage) and contractors (during contract administration) complete this form for employees and consultants who will work on the contract and whose salaries are reimbursable under the contract. The biographical data collected includes the individual's professional experience and education, which are an integral part of the technical evaluation to determine the offeror's capability to provide the services USAID requires. The contracting officer uses the information provided to determine if the individual meets the contract requirements and the salary is reasonable for the work to be performed. Unless we receive and review the required information, we are very limited in our ability to determine if the costs related to the employees and consultants are fair and reasonable. Most of our contracts are for technical and professional services, many of them cost-reimbursement type contracts in which the salaries of the individuals employed by the offerors/contractors providing the services are the basis for the offeror's cost proposals. All other information collections shown on Attachment 1 are for post contract award purposes and are needed to properly administer the contract. The various types of information required by the AIDAR are reviewed by either the contracting officer, the cognizant technical officer, or the financial management officer. Without the information, USAID cannot prudently manage public funds.

3. USAID encourages the use of facsimiles, internet or other electronic technology. USAID has converted most of its forms, including the AID Form 1420-17, to electronic format; this form is available through the USAID internet website. An individual can complete the form electronically but must print it in order to sign it; the form can then be submitted by facsimile, although typically the offeror or contractor must submit a paper copy in order to verify the signature. We must still obtain this form, as well as the other AIDAR information collections that require an actual signature, in hardcopy until USAID's information systems have an approved safe and secure electronic signature technology. Most of the AIDAR information

collections can be and are handled electronically, either through electronic mail or by facsimile. We are continually reviewing the AIDAR to simplify the submission requirements wherever possible.

4. We have reviewed the AIDAR requirements to ensure that they are not duplicated by other AIDAR or Federal Acquisition Regulation (FAR) requirements. Of the information collection requirement/forms listed herein, no similar information is already available in USAID, or from any other source known to us, which can be used or modified for our purposes.
5. The collection of the information does not have significant impact on a substantial number of small businesses or other small entities.
6. USAID cannot reduce the frequency of these information collection requirements without losing its ability to properly award and administer contracts using public funds.
7. One of the information collections included in this report allows for submission more frequently than the OMB guideline for reporting no more frequently than quarterly. AIDAR 752.7003 Documentation for Payment (Item #7 in Attachment 1) supplements the FAR payment clauses, FAR 52.216-7 Allowable Cost and Payment (for cost reimbursement contracts) and FAR 52.232-7 Payments Under Time-and-Materials and Labor Hour contracts. These clauses allow contractors to invoice for payment as frequently as once every two weeks, and more frequently for small businesses. The AIDAR clause requires this submission as part of the FAR invoice process. Allowing for collection of this information more frequently than quarterly allows contractors to be paid as work progresses and assists the contractor with cash flow.
8. We published a Notice of Public Information Collections Being Reviewed by USAID for this collection in the Federal Register on September 20, 2010 (75 FR 57251), Attachment 3), and received no comments. We consult informally through phone calls, letters, and meetings with USAID contractors, such as semi-annual “Partners Days” sponsored by the USAID Acquisition Ombudsman. USAID contractors fully participate in these sessions, but haven’t questioned the need for any of the AIDAR information collections. In addition, USAID is subject to Executive Orders 12866 and 12498, the Regulatory Flexibility Act, the Paperwork Reduction Act, the rule making procedures of the FAR, and review by the Office of Federal Procurement Policy. This, together with the burden estimate published in AIDAR 701.105(a), provide a general opportunity for public comment.
9. Not applicable, since any payments are in the form of remuneration to contractors.
10. None of the information collections include a pledge of confidentiality. USAID shares or protects information as provided by law.
11. Information of a sensitive nature is not requested in these collections.
12. We estimated the hour burden for the information collections as shown below. The estimates are supported by Attachment 1, Information Collection Summary and Justification, which correspond to amounts shown in Block 13 of Form 83-I as follows:

Block 13, Form 83-I

Attachment 1

- a. Number of respondents (and frequency of responses) varies by item, see narrative a. below
- b. Total annual responses varies by item, see narrative b. below; includes percentage of these responses collected electronically
- c. Total annual hours requested see c. below

- a. The "**Number of respondents**" and the frequency of responses vary by item, as summarized in Attachment 1 and explained herein. We based our estimates on the number of active contracts/task orders of record during fiscal year (FY) 05, the most recent year for which we have data. In that year, we had 1058 active contracts, comprised of the following:
 - 302 professional/technical services (most are cost reimbursement type),
 - 109 fixed price contracts for ocean transportation services,
 - 470 task orders awarded under USAID indefinite quantity contracts (IQCs),
 - 168 task orders under GSA Federal Supply Service (FSS) contracts, and
 - 9 orders under other agency contracts.

Even though the same contractor may have multiple contracts and/or task orders, we estimate that contractors and prospective contractors will have a different respondent or respondents per contract or task order for each type of submission.

In Attachment 1, we indicate after each item the estimated number of respondents for that item, and for Items #4, #7, and #9, we also specify the frequency of responses by each respondent. For Items #1, #2, #3, #5, #6, and #8, we estimate that each respondent submits one time per year. See Item #15 of this Supporting Statement for an explanation of the differences in our estimating method from our last report.

For each collection, we used either the frequencies required by the submission prescription itself to estimate the number of submissions expected per year, or for those submissions triggered by events, we used our experience with how often these events occur per contract to estimate the average. The following submissions, identified by item number and AIDAR section in Attachment 1, are triggered by an event:

#1	752.219-8	#6, 752.7002(j)
#3	752.245-71(c)(2)	#8, 752.7004
#4	752.247-70(c)	#9, 752.7032
#5	752.7001	

One submission, section 752.245-70 (Item #2) is required annually from those contractors who have property titled to the U.S. Government. Item #7, section 752.7003, is submitted approximately biweekly.

The total number of respondents is the sum of the number of respondents for each item, **14,939**.

b. The "**Total annual responses**" is **41,573**, the sum of line B amounts (Number of submissions per year from Attachment 1). The number of responses was determined as explained in 12.a above (number of responses per year per respondent).

1. The last reported percentage for collections electronically was 25%. We have increased this percentage to 33% based on the more extensive use of electronic mail, an acceptable method for submitting most of the responses. Some responses must still be submitted on hard copy because they require a signature and USAID does not yet have adequate electronic signature capability.

c. The "**Total annual hours requested**" (line 13.c of Form 83-I) is the total of the response times from the public for each collection. In Attachment 1, this is equates to the **Total Hour Burden, line C** under the public burden column, **63,132 hours**. We used the same hours per submission that we reported in our last request, since the collections are the same and the effort and methods the public uses in preparing the submissions are basically unchanged. Although we increased our estimate of the percentage of electronic submissions from our last submission (see 12.b.1 above), the time savings from e-mailing the submissions rather than mailing hard copies is minimal.

The annualized cost for the Annual Public Burden is also provided in Attachment 1 for each information collection. This cost is \$4,205,211 and is the sum of all line E amounts in the far right hand column. However, as we've reported in the past, the hourly burden for these information collections falls on the public, but the cost for most of these collections falls under the federal cost burden, since they are either direct or indirect expenses reimbursable under federal contracts. The only exception are those submissions for AIDAR section 752.7001 "Biographical Data" (Item #5 in Attachment 1) that are collected in a proposal submission at the pre-award stage. Costs related to this submission may be included in the offeror's indirect costs, but if the offeror does not have existing federal contracts or if the proposal submission does not result in a contract award, then the cost is the responsibility of the offeror (submitter). We would need to conduct a large survey in order to accurately determine how many Biographical Data forms are submitted per year in unsuccessful proposals (i.e., proposals that do not result in a contract award) or from offerors with no existing federal contracts. As we have done in the past, we are estimating that 25 percent of the submissions are actually a cost to the public. To estimate the annualized cost to respondents, we escalated the hourly rate we used in our last submission (2001, \$29.27/hr) by the average annual increase in the Consumer Price Index over the next five years, 2.63%, and then applied the estimated amount for overhead and fringe benefits @100% of the salary. The calculation is therefore

$\$29.27/\text{hr} \times (2.63\% \text{ increase per year}) \text{ for } 5 \text{ years} = \$33.33/\text{hr}$ for unburdened salary rate

$\$33.33 \times 100\%$ (fringe and overhead) = $\$66.66/\text{hr}$

In Attachment 1, the annualized cost for this collection is shown in line 5.E of the second column ($\$66.66/\text{hr} \times 2,148 \text{ hours} = \$143,185.68$); therefore, **the annual public cost burden for this collection is 25 percent of total cost burden for the Biographical Data sheet (\$143,185.68) or \$35,796.42.** The remaining total cost burden, \$107,389.26, is included in the annualized cost to the federal government (ref. Item 14, below).

13. There are no capital and start-up costs, or operation, maintenance, or purchase of services components associated with the information collection. The total annual cost burden to respondents is addressed in either Item 12 or Item 14.

14. The estimate of the annualized cost to the federal government is the sum of the cost of federal employee effort for each collection ("Annual Federal Burden" in the column so labeled in Attachment 1) and the part of the cost of the Annual Public Burden (in the far right-hand column in Attachment 1) that is reimbursed by the government through contracts. As already stated in Item 12 above, the only element of cost in the public burden that is a cost to the public is the amount reported at the end of Item 12 above, \$35,796.42. Therefore, the annualized cost to the federal government is the sum of all line E (Total cost burden) under the Annual Federal Burden, or \$3,018,557.30, plus the sum of all line E (Total cost burden) for the Annual Public Burden less the amount reported in Item 12 above as a cost to the public (\$35,796.42), or \$4,169,414.60. The total annualized cost to the federal government is therefore \$7,187,971.90.

We estimated these costs as follows. For the federal cost burden, all federal salary costs in Attachment 1 are estimated using the base rate from the Office of Personnel Management Salary Table 2007 for the locality pay area of Washington-Baltimore, DC-MD-VA-WV (OPM 2007-DCB). We used the salary of the federal employee who typically reviews the submission applied to the estimated amount of time the federal employee spends on each collection (line C under the Annual Federal Burden column in Attachment 1). For all Items except #1 and #4 (see Item 15 below for an explanation of changes we are making to Item #4), that individual is typically a GS 13, Step 5, whose hourly rate for 2007, including the Washington, D.C. locality pay, is \$43.12. We applied a burden rate of 110% for fringe benefits and operational expenses as we have done in the past (we informally confirmed with a member of the Agency's budget staff that this burden rate is still reasonable), to arrive at a burdened hourly rate for the federal burden of \$90.55. We used the same number of hours for each submission as in the past, for both the federal and the public hour burden, since the submission requirements are basically the same. We have made adjustments to the number of submissions for some of the items, as more fully explained in Item 15. To estimate the cost for the Annual Public Burden (including for Item #1 but excluding Item #4), we used the burdened hourly rate described in Item 12 above (\$66.66); for Item #4, we used the same hourly burdened rate in our last request, \$40/hr, and escalated it by the average of the CPI rate (2.63% per year from 2001 to 2006). For each item in Attachment 1, we applied the hourly rates to the total hour burden for each collection, to determine the total cost burden for the public burden.

For Item #1, the federal burden is shared between the two federal employees who review this submission. One is a GS 13 Step 8 for one third of the effort, and the other is a GS 7 Step 5, for two thirds of the effort. We developed a composite hourly rate based on these proportions and applied the same burden rate of 110% for operational expenses, for an hourly burdened rate of \$61.28. We applied this burdened hourly rate to the total burden hours (line C) to determine the total Annual Federal Burden (line E) for Item #1, \$4,596.

15. We are reporting several changes or adjustments in our estimating methodology since our last submission, primarily in the frequency and number of some submissions. For all of the following, refer to the listed items in Attachment 1.

For **Item #1**, AIDAR 752.219-8 Utilization of Small Business and Small Disadvantaged Business Concerns, we reduced the number of submissions per year from 500 to 100 to more accurately reflect our experience. In our last request, we reported that we were in the process of revising the clause to lower the dollar threshold for this submission, which would have resulted in an increase in the number of submissions (our number in that request reflected this anticipated higher number). However, we did not finalize this change, and the submission threshold continues to be \$100,000 rather than \$25,000. Although we do intend to make this revision as part of a comprehensive AIDAR revision we recently initiated, we haven't undertaken such a comprehensive review/revision for almost ten years and anticipate that the process will take several years to complete. We have not yet determined when this particular revision is likely to occur but estimate that it won't occur for at least 18-24 months. Consequently, we determined that 100 is a reasonable estimate of the number of submissions based on our experience in the first quarter of FY 2007, in which we received approximately eight to ten submissions, with an expected increase to this rate later in the fiscal year as contracts awarded at the end of FY 06 accelerate performance.

Item #2, AIDAR 752.245-70 Government Property, and **Item #3**, AIDAR 752.245-71(c) Title to and Care of Property are related contract clauses but have separate information collections. Item #2, AIDAR 752.245-70, supplements FAR property clauses and is required in all contracts except for commercial contracts. Item #3, AIDAR 752.245-71, is required in the subset of such contracts that provides for property to be titled to a foreign government. AIDAR 752.245-71(c) (1) refers to the same information collection in Item #2 (AIDAR 752.245-70), and therefore does not need a separate justification. However, subsection (c)(2) of the clause is a separate collection and will not apply when AIDAR 752.245-70 (or AIDAR 752.245-71(c)(1)) applies. AIDAR 752.245-70 (Item #2) is an annual submission for contractors in possession of property titled to USAID; excluding the 109 ocean transportation contracts, which require neither clause, we estimate that of the total number of contracts described in Item 12 above, 570 of them (approximately 60%) are subject to this submission. Of the remaining contracts, either the contractor does not have any contract-funded property or the title is with a foreign government. If title is with a foreign government, then subsection (c)(2) of AIDAR 752.245-70 applies, and the contractor must make the submission only at the end of the contract. We estimate that 95 contracts are subject to this submission each year.

Item #4, AIDAR 752.247-70(c) Preference for Privately-Owned U.S.–Flag Commercial Vessels. We reduced the number of submissions per year to 600 based on actual experience, estimating

that an average of 200 respondents submit three times annually. We revised the cost of the federal burden to reflect the amount of time spent by current processors at their rates (GS 11, step 5 @ 90% of the time allotted and a GS-15, step 5 @ 10% of the time allotted for each submission, a prorated hourly rate of \$33.22) plus 110% burden.

Item #5, AIDAR 752.7001 Biographical Data. We revised the number of submissions per year for this collection to reflect the Agency's increased use of GSA Federal Supply Schedules and time-and-materials/labor hour pricing in our contracts, neither of which require this clause when placing orders. Using the statistics for types of contracts in Item 12 a. above, we estimate that half of the 470 task orders (TO) require the clause, and all of the 302 professional/technical services contracts (since they are most likely cost-reimbursement contracts). For each contract/TO, we estimate eight submissions per year. The hourly rates used are described in the second paragraph of Item 14 above.

Item #6, AIDAR 752.7002(j) Travel and Transportation. The only change for this item is in the estimated hourly rates, which are as described in the second paragraph of Item 14 above.

Item #7, AIDAR 752.7003 Documentation for Payment. We adjusted the number of submissions to reflect the number of contracts (see Item 12 above) used in this report, and the estimated hourly rates are as described in the second paragraph of Item 14. We continue to estimate that contractors for each contract and task order will invoice biweekly, and this clause will apply each time.

For both **Items #8**, AIDAR 752.7004 Emergency Locator Data and **Item #9**, AIDAR 752.7032 International Travel Approval and Notification, we revised the number of submissions per year to reflect the contract statistics in Item 12 above. Both clauses apply in all task orders, and in contracts excluding the ocean transportation contracts. For AIDAR 752.7004, we estimate that there are eight respondents per contract or task order per year, and for AIDAR 752.7032, we estimate that there are three responses per contract or task order per year. We estimated the costs using the hourly rates described in Item 14 above.

16. Not applicable.

17. Not applicable.

18. Since the information must be collected for a specific individual transaction, statistical survey methodology is not appropriate (certification statement (i) in Item 19 of the OMB 83-I).

SECTION B. Collections of Information Employing Statistical Methods.

The collection does not employ statistical methods.