

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0012, TERMINATION SETTLEMENT PROPOSAL FORMS - FAR
(STANDARD FORMS 1435 THROUGH 1440)**

A. Justification.

1. Administrative requirements. The termination settlement proposal forms (Standard Forms 1435 through 1440) will be used by all Executive agencies, including the Department of Defense, for settling terminated prime contracts and subcontracts. The forms provide a standardized format for listing essential cost and inventory information needed to support the terminated contractor's negotiated position. Submission of this information assures that a contractor will be fairly reimbursed upon settlement of the terminated contract. No other format exists for the collection of this information that we are aware of.

2. Uses of information. The information will be used by contracting officers to help determine/support reimbursement costs upon settlement of a terminated contract.

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 or contract-by-contract is not practical.

7. Special circumstances for collection. 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 and each comment addressed before finalization of the text. A notice published in the *Federal Register* at 75 FR 41486, on July 16, 2010. 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 to read and prepare information is estimated at 2.5 hours per termination.

Estimated respondents/yr.....	872
Responses annually.....x	<u>2.4</u>
Total annual responses	2,092
Estimated preparation time (hrs) per response..	x <u>2.4</u>
Estimated total burden/hrs.....	5,023
Average wages + overhead (\$26/hr + 75% OH).....x	<u>\$46</u>
Total cost to the public.....	\$231,058

14. Estimated cost to the Government. Time required for Governmentwide review is estimated at 6 hours (2 hours/ form) per termination.

Annual Reviewing Burden and Cost

Total annual responses	2,092
Review time/hrs	x <u>6</u>
Review time/yr	12,552
Average wages/hr + overhead (\$22/hr + 100% OH) ...x	<u>\$44</u>
Total Government cost	\$552,288

15. Explain reasons for program changes or adjustments reported in Item 13 and 14. This submission requests an extension of OMB approval of an information collection requirement in the FAR. The information collection requirement in the FAR is changed. Due to

reevaluation, the estimates have changed. We estimate that 20% of the forms are submitted electronically, therefore the preparation time per response has decreased. In addition, the number of respondents has increased a small amount based on FY 2003 FPDS data (an increase from 864 to 872).

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.