

**SUPPORTING STATEMENT  
FOR INFORMATION COLLECTION SUBMISSION  
NOVATION/CHANGE OF NAME REQUIREMENTS  
OMB CONTROL NO. 9000-0076**

**A. Justification**

1. **Administrative requirements.** FAR 42.1203 and 42.1204 provide requirements for contractors to request novation/change of name agreements and supporting documents when a firm performing under Government contracts wishes the Government to recognize (1) a successor in interest to these contracts, or (2) a name change, it must submit certain documentation to the Government.
2. **Uses of information.** The information is used to justify the Government's recognition of a third party as successor in interest, since 41 U.S.C. 15 prohibits transfer of Government contracts.
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.** Similar information is not already available to the contracting officer or buyer.
7. **Special circumstances for collection.** Collection of information on a basis other than solicitation-by-solicitation is not practical. Collection is consistent with guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.** A notice was published in the *Federal Register* at 77 FR 29883, on May 21, 2012. One respondent submitted comments.

One respondent submitted public comments on the extension of the previously approved information collection. The analysis of the public comments is summarized as follows:

**Comment:** The respondent commented that the extension of the information collection would violate the fundamental purposes of the Paperwork Reduction Act because of the burden it puts on the entity submitting the information and the agency collecting the information.

**Response:** In accordance with the Paperwork Required Act (PRA), agencies can request an OMB approval of an existing information collection. The PRA requires that agencies use the Federal Register notice and comment process, to extend the OMB's approval, at least every three years. This extension, to a previously approved information collection, pertains to FAR Subpart 42.12, Novation and Change-Of-Name Agreements. The purpose of this subpart is to allow recognition of a successor in interest to Government contracts when contractor assets are transferred, recognition of a change in a contractor's name, and execution of novation agreements and change-of-name agreements by the responsible contracting officer. This subpart provides the contractor a process and a forum to transfer interest in a Government contract and recognition of a corporate name change. Not granting this extension would eliminate the contractor's ability to conduct business with the Government in those instances where the company has been sold or changed its name.

**Comment:** The respondent commented that the agency did not accurately estimate the public burden challenging that the agency's methodology for calculating it is insufficient and inadequate and does not reflect the total burden. For this reason, the respondent provided that the agency should reassess the estimated total burden hours and revise the estimate upwards to be more accurate, as was done in FAR Case 2007-006. The same respondent also provided that the burden of compliance with the information collection requirement greatly exceeds the agency's estimate and outweighs any potential utility of the extension.

**Response:** Serious consideration is given, during the open comment period, to all comments received and adjustments are made to the paperwork burden estimate based on reasonable considerations provided by the public. This is evidenced, as the

respondent notes, in FAR Case 2007-006 where an adjustment was made from the total preparation hours from three to 60. This change was made considering particularly the hours that would be required for review within the company, prior to release to the Government.

The burden is prepared taking into consideration the necessary criteria in OMB guidance for estimating the paperwork burden put on the entity submitting the information. For example, consideration is given to an entity reviewing instructions; using technology to collect, process, and disclose information; adjusting existing practices to comply with requirements; searching data sources; completing and reviewing the response; and transmitting or disclosing information. The estimated burden hours for a collection are based on an average between the hours that a simple disclosure by a very small business might require and the much higher numbers that might be required for a very complex disclosure by a major corporation. Also, the estimated burden hours should only include projected hours for those actions which a company would not undertake in the normal course of business. Careful consideration went into assessing the estimated burden hours for this collection, and it is determined that an upward adjustment is not required at this time. However, at any point, members of the public may submit comments for further consideration, and are encouraged to provide data to support their request for an adjustment.

**9. Explanation of any decision to provide any payment or gift to respondents, other than re-enumeration 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 burden and cost burden.** Time required to read and prepare information is estimated at 2 hours per completion based on reviews by subject matter experts. This estimate is based on a junior lawyer at a small firm performing the task. The average salary of \$72,000 per year is based on national salary surveys. The equivalent GS salary is a grade 11, step 6, which makes \$72,876 per year based on the OPM 2012 salary table.

**Annual Burden and Cost to Public**

Respondents	1,000
Responses per respondent	<u>X 1</u>
Total responses	1,000
Preparation hours per response	<u>X 2.0</u>
Total response burden hours	2,000
Hourly rate (\$35 + 75% OH)	<u>X *\$61</u>
Total Cost to public	\$122,000

\* OPM 2012 salary table for GS-11, step 6, equivalent.

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 1 hour per response. The hourly rate for the cost to the government is changed to \$35.00 to reflect the salary of a GS-11, step 6, equivalent.

**Annual Government Burden and Cost**

Reviewing time/hr	1
Responses	<u>X 1,000</u>
Review time/yr	1,000
Average wages/hr	<u>X*35</u>
Average wages/yr	\$35,000
Benefits and overhead	<u>100%</u>
Total Government cost	\$70,000

\* OPM 2012 salary table for GS-11, step 6, equivalent.

15. **Explain reasons for program changes or adjustments reported in Item 13 or 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 increased to reflect the additional preparation hours per response needed by the public to respond to the requirement. The original response time was 27.5 minutes. The revised time needed to comply with the requirements is 2 hours per response.

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.