

**A. JUSTIFICATION**

1. This is a request for an extension of the expiration date of the information collection requirement currently approved under OMB Control Number 0704-0443. DoD amended the Defense Federal Acquisition Regulation Supplement (DFARS) to add a solicitation provision and a contract clause for DoD contractors in order to implement Section 852 of the National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364). OMB approved an emergency review and approval of this new information collection requirement on April 16, 2007, with an expiration date of October 31, 2007. This was later extended to October 31, 2008 and the current expiration is Jan 31, 2009. OMB has approved 6,550 hours associated with this collection.

2. DoD contracting officers will use the information required by the contract clause to assess the value added by a contractor or subcontractor in relation to proposed, billed, or claimed indirect costs or profit on work performed by a subcontractor.

3. Improved information technology will be used to the maximum extent practicable. Where offerors or contractors have automated systems that contain the information needed to report this requirement, they may submit the information in formats that are compatible with the automated systems.

4. As a matter of policy, DoD reviews the FAR to determine if adequate language already exists. This information collection does not duplicate any other requirement.

5. The information collection associated with small businesses is the minimum consistent with applicable laws, Executive Orders, regulations, and prudent business practices.

6. Less frequent collection would not permit DoD to ensure that pass-through charges on DoD contracts and subcontracts are not excessive and, therefore, would not permit effective compliance with Section 852 of Public Law 109-364.

7. Collection is consistent with the guidelines in 5 CFR 1320.5(d). The information will not be collected in a

manner that requires an explanation of special circumstances.

8. Public comments were solicited in the Federal Register at 72 FR 20758 on April 26, 2007 as required by 5 CFR 1320.8(d) for the first interim rule and again on July 14, 2008 for the second interim rule. No comments were received on the DoD information collection portion of the DFARS rulemaking.

9. No payment or gift will be provided to respondents, other than remuneration of contractors under their contracts.

10. The information collected will be disclosed only to the extent consistent with prudent business practice, current regulations, and statutory requirements. No assurance of confidentiality is provided to respondents.

11. No sensitive questions are involved.

12. We have not changed the currently approved burden hour estimate, but average wages have been adjusted for inflation:

Based on fiscal year 2006 data regarding the types of contracts to which this information collection applies, DoD estimates that the requirement for an offeror to identify the percent of effort it intends to perform, and the percent to be performed by each subcontractor, will apply to 12,650 proposals per year. Of these, DoD estimates that 12,500 will indicate subcontracting of 70 percent or less; and that 150 will indicate subcontracting in excess of 70 percent and will require the additional indirect cost and profit and value-added information applicable to the subcontracted work. In addition, DoD estimates that the requirement to notify the Government after award, regarding previously unidentified subcontracting effort exceeding 70 percent, will apply to approximately 150 contracts per year. The estimated time for reporting of this information is 30 minutes for subcontracting effort of 70 percent or less; and 1 hour for subcontracting effort of more than 70 percent, whether reported with the proposal or after contract award. Computations are provided below.

	Subcontracting		
	<u>70 percent or less</u>	<u>More than 70 percent</u>	<u>Total</u>
		<u>Pre Award</u>	<u>Post Award</u>
Number of respondents:	12,500	150	150*
Responses per respondent:	1		1
Total responses:	12,500	300	12,800
Hours per response:	.5	1	.51
Total hours:	6,250	300	6,550
Average wages:	\$37**	\$37**	\$37**
Total public cost:	\$231,287	\$11,100	\$242,350

\* These 150 respondents are included with the 12,500 respondents that reported subcontracting of 70 percent or less before contract award and, therefore, do not increase the total number of respondents.

\*\* Based on a GS-11, step 5 (equivalent), salary plus 36.25 percent burden.

13. DoD does not estimate any annual cost burden apart from the hour burden in Item 12.

14. DoD estimates that it will take the Government 1 hour to review and process the information in each response. The estimated annual cost to the Government is as follows:

Total responses: 12,800.

Hours per response: 1.

Total hours: 12,800.

Average wages: \$37.\*

Total Government cost: \$473,600.

\* Based on a GS-11, step 5, salary plus 36.25 percent burden.

15. There is no estimated change in the public burden hours.

16. Results of this information collection will not be tabulated or published.

17. DoD does not seek approval to not display the expiration dates for OMB approval of the information collection.

18. There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

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

Statistical methods will not be employed.