

**SUPPORTING STATEMENT  
FOR INFORMATION COLLECTION SUBMISSION  
9000-0027, VALUE ENGINEERING REQUIREMENTS**

**A. Justification.**

**1. Administrative requirements.** Per FAR 48, value engineering is the technique by which contractors (1) voluntarily suggest methods for performing more economically and share in any resulting savings or (2) are required to establish a program to identify and submit to the Government methods for performing more economically. These recommendations are submitted to the Government as Value Engineering Change Proposals (VECP's).

VECP's must include such details as (1) a description of the differences between the existing contract requirement and the proposed requirement, and the comparative advantages and disadvantages of each; (2) a list and analysis of contract requirements that must be changed if the VECP is accepted; (3) a detailed cost estimate showing anticipated reductions associated with the VECP; (4) a statement of the time a modification accepting the VECP must be issued to achieve maximum cost reduction, and the effect on contract completion time; and (5) identification of any previous submissions of the VECP; the agencies and contract numbers involved and previous Government actions, if known. FAR clauses 52.248-1, Value Engineering; 52.248-2, Value Engineering-Architect-Engineer; and, 52.248-3, Value Engineering-Construction, are used to evaluate VECP's.

**2. Uses of information.** This information is needed to enable the Government to evaluate the VECP and, if accepted, to arrange for an equitable sharing plan.

**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 is not practical.

7. **Special circumstances for collection.** 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 43076, on July 23, 2012. No comments were received.

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 and cost burden.** Time required to read and prepare information is estimated at 15 hours per completion. It is also estimated that about 1% of the 193,397 unique vendors awarded a federal Government contract in FY 2011 (from FPDS-NG), had approved VECP's. Factors limiting VECP's include the relatively small number of VECPs being submitted by vendors, external circumstances which add complexity to VECP processing, and the risk incurred by the contractor until the VECP is approved. The average wage is based on the OPM 2012 salary table for a GS-9, step 5 equivalent, for the base pay area.

Estimated respondents/yr.....	1,934
Responses annually.....	x <u>2</u>
Total annual responses.....	3,868
Estimated hrs/response.....	x <u>15</u>
Estimated total burden/hrs.....	58,020
<b>Average wages.....(\$22.57 + %36.25% OH)</b>	<b>\$30.75</b>
<b>Estimated cost to public.....</b>	<b>1,784,115</b>

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 15 hours per response.

Annual Reporting Burden and Cost

Reviewing time/hr.....	15
Responses/yr.....x	<u>3,868</u>
Review time/yr.....	58,020
Average wages/hr.....x	<u>\$22.57</u>
Average wages/yr .....	\$1,309,511
Benefits and overhead.....x	<u>36.25%</u>
Total Government cost.....	\$ 474,698

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. Based on adjustments to the number of respondents using Fiscal Year 2011 Federal Procurement Data System Data, the number of responses and the estimated hours, the annual estimated reporting burden increased from the noticed published in the Federal Register at 77 FR 43076, on July 23, 2012.

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.